

# *The* NATIONAL UNDERWRITER



*A Comprehensive Reinsurance Service*

*Casualty and Bonding Lines*

GENERAL  
REINSURANCE  
CORPORATION

*Fire and Allied Lines*

NORTH STAR  
REINSURANCE  
CORPORATION

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90 JOHN STREET, NEW YORK

200 BUSH STREET, SAN FRANCISCO

THURSDAY, JANUARY 28, 1943

# Launching Postponed...



**THE**  
*National Fire*  
**GROUP**

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD • MECHANICAL & TRADERS INSURANCE COMPANY  
FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK • TRANSCONTINENTAL INSURANCE COMPANY  
HOME AND ADMINISTRATIVE OFFICES: HARTFORD, CONNECTICUT  
WESTERN DEPT., 131 WEST JACKSON BLVD., CHICAGO • PACIFIC DEPT., 334 NORTH ST., SAN FRANCISCO

An American warship may be late for its date with Tojo . . . unless safeguards are taken against fire all along the production line.

Be sure every war factory you serve is taking all possible precautions.

National Fire Group agents are using a new Tip-in plan that helps them cover their territory effectively, yet saves time and tires. Ask your National Fire Field Man about it.

**HAVE YOU SEEN TO IT THAT EVERYBODY YOU KNOW IS FAMILIAR WITH WAR DAMAGE INSURANCE . . . WHAT IT COVERS AND WHAT IT COSTS? YOU SHOULD!**



# The NATIONAL UNDERWRITER

Forty-seventh Year—No. 4

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JANUARY 28, 1943

\$4.50 Year, 20 Cents a Copy

## Moot Points in Stamp Tax Law Are Cleared Up

### Lloyds Attorneys Issue Opinion Based on Rulings in Individual Cases

NEW YORK—Several moot points in the revised stamp tax law applying to non-admitted insurance and reinsurance are cleared up in an opinion which Duncan & Mount, attorneys here for Lloyds underwriters and non-marine association, have issued on the basis of Treasury rulings obtained in a number of individual cases.

One of these questions was the taxability of premiums due on or after Nov. 1, 1942, on insurance placed before that date. It appears that where non-cancellable insurance for a specified term, such as three years, was written before Nov. 1, 1942, with a single premium payable in annual instalments and covering risks not subject to the tax at that time, the subsequent annual instalments of premium are not subject to tax. However, where the policy is written for an indefinite term with an annual premium and with either party given the right to cancel at the end of any year, annual premiums due on or after Nov. 1, 1942, are subject to the stamp tax as a continuance. The tax would also apply even though the policy were written for a specified term, such as three years, if either party has the right to cancel at the end of any year.

### Additional Insurance Subject to Tax

Even if the insurance was effected before Nov. 1, 1942, and was not subject to tax, additional insurance effected by endorsement after that date would be subject to tax on the additional premium. However, in case insurance subject to tax before Nov. 1, 1942, is decreased after that date no refund is allowable on the reduction since the tax is held to have been incurred when the insurance was effected.

Where insurance subject to tax provides for an initial provisional deposit premium with an adjustment of premium at termination the taxable premium is the amount which is finally determined to be the "agreed price" for the risk whether that amount is greater or less than the provisional premium. Where the initial premium is not provisional but final and subsequently a portion of the premium is refunded because of cancellation of a portion of the policy or because of the elimination of a particular risk in the policy no refund of tax will be allowed. Where prior to Nov. 1, 1942, insurance for a term of one year was effected against perils exempt from tax at that time, with a provisional deposit premium, and subsequent to Nov. 1, 1942, an additional premium is found to be due, the additional pre-

(CONTINUED ON LAST PAGE)

## Seven Arrive from London to Run BICO

### To Scrutinize Overseas Insurance Messages— Navy Issues Letter

NEW YORK—The group of seven London insurance experts who will direct the operations of the British Insurance Communications Office to be set up in New York arrived here Tuesday. Office space has been leased at 56 Beaver street and it is expected that the BICO organization will soon begin to function. A clerical staff is being engaged which will be augmented in line with the amount of work to be handled.

### Letter Sent Out by Navy

The chief of the office of procurement and material of the navy department has issued a circular letter regarding "security of vital information incident to insurance transactions," to the chiefs of the bureaus, offices and boards of the navy, to the commandants of the marine corps and coast guard, and to headquarters of the commander-in-chief of the U. S. fleet. The letter is signed by Vice-admiral S. M. Robinson and J. W. Powell, deputy.

The letter directs "attention to the importance of safeguarding vital information in the possession of any person incident to an insurance transaction."

### Must Guard Information

"The intelligent negotiating of insurance, and underwriting of risks, involves a necessity for information both pertinent and timely, with consequent tendency toward bringing confidential data to a focus which can be highly dangerous to the success of the war effort if not safeguarded with commensurate care. This applies not only to blue prints, diagrams, technical construction and production data and inspection reports, but also to monthly reports indicating progress or production flow, workmen's compensation pay rolls and loss reports. It is known that the enemy has made use of such information. Security is never to be sacrificed for price."

### Warns Against "Leaks"

"Every responsible citizen is expected to bear this in mind in connection with selection of personnel, protection of records, public utterances and social conversations," the letter warns. "Do not expose yourself to having an unnecessary leak traced back to you."

"Advice and assistance in any specific situation can be obtained from the navy officer in charge or by communication with the office of procurement and material (insurance division). Do not hesitate to report at once any suspicious circumstance coming to your notice. Such matters can be handled competently and with due consideration to safeguarding the source of information."

## CCC Purchases Huge Policy

NEW YORK — The Commodity Credit Corporation has arranged an open import policy to cover the marine

## Sprinklers Shut Off; Fire Rekindled; Loss \$300,000

A fire that destroyed one of the buildings at the Rock Island, Ill., Sash & Door Co. was disheartening to those interested in sprinklered business because it appears that although the sprinklers here went into action and had the fire under control, the gate valve was closed by the fire department after eight minutes and the blaze was rekindled. Just why the valve was closed has not been finally determined but one report is that visibility in the building was poor due to smoke and the department concluded that the fire was under control and the visibility would be improved if the sprinklers were shut off. The records of the American District Telegraph station show that eight minutes after the water flow alarm had been registered there was a closed gate valve message. Investigators believe that if the valve had not been closed the sprinkler system would have prevented the fire from attaining anything more than minor proportions. The loss is estimated at about \$300,000. There was total insurance of \$1,670,000.

hazard on all types of agricultural products from anywhere in the world. The largest open policy ever written, it was placed through 10 brokers, with one of them acting as servicing broker. Virtually the entire marine market, as direct writers or reinsurer, is participating. Much the same plan was followed with the Defense Supplies Corporation and Rubber Reserve Corporation insurance plans, except that these used five brokers each.

## Hatch New I.U.B. Chairman

NEW YORK—K. B. Hatch, vice-president of Fire Association, was elected chairman of the Interstate Underwriters Board governing committee at the annual meeting. G. H. Duxbury, North British, is vice-chairman; B. M. Culver, America Fore, treasurer, and J. R. Dumont, secretary.

The retiring chairman, Ivan Escott, Home, stressed the success attained in the last 14 years through voluntary self-regulation.

### Premiums by Member Companies

Premiums reported by member companies last year amounted to \$15,415,244 as against the 1941 figure of \$9,998,516. There was a 16 percent increase in daily reports and endorsements received, 33 percent increase in accounts reported written, 45 percent increase in final adjustments checked, and a 25 percent increase in monthly reports of values checked.

A report was made of the loss ratio on reporting form business for the 12 years 1930-41 inclusive which covers country-wide operations of all companies licensed in New York state. Premiums written were \$101,123,041 and losses \$53,391,593 indicating a 52.79 ratio.

## Demand Arises for Legal Liability Cover

### Contractors, Told by U. S. Not to Insure, Desire Protection, However

A form of legal liability insurance is in demand from a number of contractors and manufacturers that are doing government work but that have been instructed by the government either to carry no fire and marine coverages or else to cancel insurance that may have been in effect. Some of these contractors and manufacturers feel that even though the government has ordered them not to insure, yet there is still the danger that the government or a prime contractor perhaps, might proceed against them for recovery of loss due to fire, vandalism or some other hazard, charging negligence.

If it is a processing risk and qualifies for marine insurance, then a marine legal liability form may be used but if it is a manufacturing or assembly risk then coverage must be obtained through a fire insurance department. Some of the latter type of risks have been insured by using the wording of the sprinkler leakage contract and one risk at least was written at a rate of 50 percent of the regular fire and extended coverage rate.

### Garment Contractors

On Dec. 30, 1942, the I. M. U. A. sent out a bulletin outlining the procedure for granting legal liability coverage to garment contractors working under government contracts not requiring the contractor to carry insurance on government owned property. The assured is to be designated as "X-Y-Z Uniform Company as Contractor Under Government Contract (s) No. (s) . . . ."

There is to be attached to the garment contractor's floater an endorsement reading: "In consideration of the reduced premium at which this insurance is written it is agreed that this policy does not cover any loss or damage to the insured property (other than the property of the insured) unless the assured is legally liable therefor and then only if and to the extent such loss would be payable hereunder if the property belonged to the assured and it is further agreed that where the property of the assured or property on which the assured has expended labor or material is damaged, destroyed or taken from the assured under such circumstances as to constitute a claim under this policy such claim shall be limited to the amount by which the fair market value of such property, labor or material exceed any compensation therefor to which the assured is entitled, whether by contract or by way of damages."

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## Closing the Gap Problem Analyzed

### Lucas Says Adapting WDC Cover Language in Fire Policy Won't Do Job

NEW YORK—Incorporation of a war exclusion clause using language of the War Damage Corporation contract in the standard fire policy would not only fail to narrow the gap between the policy and War Damage Corporation coverage, "but actually widens the gap and thus fails in its purpose," Julian Lucas, president of Davis, Dorland & Co., asserted in addressing the New York City Blue Goose. Mr. Lucas said that he was confused after reading the War Damage Corporation policy and the interpretation of its various coverages and that what it does or does not cover is a matter which must eventually be interpreted by the courts.

In drafting a peace time standard policy which is likely to be adopted by most of the states, Mr. Lucas said he saw no reason to incorporate, as a matter of expediency, the language of the War Damage Corporation contract, "which we hope is only temporary and will pass out of the picture with the close of the war."

Through assumption of specific perils in the extended coverage endorsement the gap can be closed in part, but it is difficult to state that the gap is actually closed when unknown perils which may develop are contemplated. He said that he favored use of the present war exclusion clause that had been employed for more than a century, which has been interpreted by the courts and has demonstrated its soundness in war-time conditions.

Factors which should be weighed in connection with a change in the war clause, according to Mr. Lucas, are: Explosions off premises and resultant concussion losses; the effect, if any, the fallen building clause has which is in use in 40 states; the decision by New York court of appeals in the Tarrant explosion case which held that even though an explosion originated from a fire the resultant concussion loss of neighboring property was not within the coverage of a fire policy; the contrary U. S. Supreme Court decision holding that a loss originating by explosion and then extending through other buildings, ultimately destroying by fire the building involved in the loss, was not within the coverage of the standard fire policy for the reason that the proximate cause of the loss was explosion and not fire.

Unless Washington broadens the coverage of the war damage policy, the gap can never be closed, although inclusion of the coverage in the extended coverage endorsement of so-called friendly operations of military forces, as distinguished from hostile operations, would clear the atmosphere to a considerable extent, he declared.

### Dock Sprinklers May Be Delayed

SEATTLE—Installation of automatic sprinkler systems in all Seattle docks and piers, as required in a new city ordinance which became effective Nov. 2, is being delayed and C. C. Hughes, city building superintendent, indicated this week that it may be necessary to grant owners a period of grace beyond the six-month deadline set by law.

Most dock owners have been busy securing plans and specifications but none, including the city itself, which owns a number of piers, has as yet called for bids. While federal authorities have indicated that priority ratings would be available to complete the immense project, no priorities have as yet been forthcoming. Some difficulty is anticipated also in interesting contractors in doing the work, as there is a

## Loman Stirs Interest in Visit

H. J. Loman, dean of the American Institute for Property & Liability



H. J. Loman

has completed a visit to seven middle western cities in which he conferred either with local groups that have started study programs in preparation for the first examinations for the C.P.C.U. designation to be given in June or else are preparing to engage in such study. In Youngstown, O., and Indianapolis, two of the cities which he visited, the study groups have been at work since September. In Indianapolis courses are under the supervision of Indiana University and in Youngstown under the economic and business foundation of Westminster College. In Cleveland and Akron, O., interest was manifested but since there are no university men in the city to supervise the work, a private instruction plan will have to be arranged. At St. Louis a group will probably be organized with Washington University supervising.

Nearly 80 attended the luncheon in Chicago Tuesday under the auspices of the Chicago Insurance Agents Association. Bradford Gill, chairman of the association, presided and Donald Wood, Jr., of Childs & Wood, chairman of the local committee on the C.P.C.U. project, introduced Dr. Loman. Much interest was manifest there and undoubtedly a study group will shortly be organized. The review course will be conducted by Northwestern University. Tentatively it is planned to have a two-hour class one evening a week covering parts 1 and 2 of the C.P.C.U. examinations.

Dr. Loman states that at present about 400 insurance men throughout the country are either actually engaging in study in preparation for examinations or will shortly do so.

### Phoenix of Hartford Rally

A three-day conference of field men in the western department of Phoenix of Hartford is being held at the Edgewater Beach Hotel, Chicago. Representing the head office are R. E. Eblen, vice-president and G. L. Pickens, assistant secretary. The second group will be in Chicago next week.

### Buffalo Field Club Elects

At the annual meeting of the Buffalo Field Club, C. C. Patton was elected president; E. T. Collins, Home, vice-president, and J. C. Qualmann, Royal-Liverpool, secretary.

shortage of available manpower to do the job.

## British Reception Plan Perfected for Service Men

Plans have been perfected giving expression to what has been a growing desire on the part of British insurance offices to supplement individual efforts by creating some organized means of extending hospitality to men and women of the insurance industry who may happen to be in the British Isles at any time while serving abroad with the United States forces.

### Plan Is Explained

The British Insurance Association of London, England, an organization whose membership embraces executives of fire, life, casualty and marine companies, carried out arrangements which now make it possible to extend a welcome to such overseas visitors from the United States, the spirit of the undertaking being expressed in the following excerpt from a letter of explanation over the signature of J. A. Jefferson, chair-

CARD OF INTRODUCTION	
OVERSEAS FORCES HOSPITALITY SCHEME	
This is to introduce:	
MR. JOHN SMITH	
<i>John Smith</i>	Signature
of NEW YORK	NEW YORK
City	State
Office or Firm with which connected:	
YOUR INSURANCE AGENCY	
YOUTOWN	NEW YORK
City	State
Date of Issue: January 18, 1943	
Issued by: <i>J. A. Brown</i>	
Signature	
President	
Official Position of Issuing Officer	
BRITISH INSURANCE ASSOCIATION	
19A, COLEMAN STREET LONDON, E.C.2.	

man of the association: "We want, in brief, to extend to all so serving a warm welcome; we want, limited though in some respects our ability to do so may be, to make them feel at home, to make them realize that they have friends in the British Isles who think of them and are glad to see them. Their own homes are a long way away; ours are here. This is the simple thought which is in our minds."

### Reception Groups Established

To implement this hospitality plan, reception groups were set up in 71 principal cities and towns in the British Isles as listed on a card of introduction and identification which is available to members of the insurance industry now serving in, or who might later be inducted into, the armed forces of the

## Feature Roy Davis at Detroit Parley

### Executives Association Man Gives Inspiring Mes- sage to Local Board

DETROIT—The insurance business, realizing that its future is tied up directly with that of our country, has responded readily and cheerfully to every call of the government in war time, Roy L. Davis of Chicago, western manager of the Association of Casualty & Surety Executives, told 300 members of the Detroit Association of Insurance Agents at their annual banquet Tuesday. He spoke on "Back to Fundamentals" and was introduced by President Walter B. Cary, Michigan Insurance Agency. American business today faces a real crisis, he declared. The dangers are many, for out of the mobilization for war could easily come a permanent substitution of state for private enterprise. Yet the insurance business now has an opportunity to demonstrate that industry under private ownership and operation can perform miracles when given a job to do and a fair chance to do it. It is reasonable to assume that if business can do so well in war it can do equally as well when the war is ended.

### Contribution to War

The stock insurance business has made a decided contribution to this war both before and after Pearl Harbor. It is helping the government to finance the war effort through investment of large portions of reserve funds in war bonds and other government securities. It is preventing fires and sabotage in war plants through inspections, accumulating data through a central clearing house for plant protection and is collaborating with the F. B. I. It is releasing men for war industries and military service by instituting training programs that enable women to take over. It is conserving men, machines and time by preventing off-and-on-the-job accidents.

It is speeding up construction by funneling data on contractors' capacity and responsibility in a central clearing house, the Bureau of Contract Information. It is saving life by solving traffic bottlenecks, is aiding civilians financially by lowering rates and extending benefits as circumstances warrant, reducing absenteeism in industry, participating in civilian defense activities and helping the government protect against potential losses by bombing.

Mr. Davis said this is no time for "swivel-chair" selling if the agent is to maintain his present volume. It will be necessary to put more intelligent effort into his business in addition to the extra

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United States and who, in consequence, might be sent overseas.

The details of this arrangement were communicated to chief executives of United States branches of British companies who organized an Overseas Forces Hospitality Committee, Maj. C. R. Redgrave serving as chairman, with headquarters at 150 William street, New York. This committee has, in turn, communicated the details of this hospitality plan to all insurance companies throughout the United States and supplied them with introduction cards for issuance to employees, agents, and brokers, and the project is already assured of countrywide approval. The face of this card provides space for the signature and home address of the holder, office or firm with which he or she is connected, date of issue, and countersignature and title of the insurance company official issuing the card.

To obtain this card, application should be made by the agent or broker to any insurance company with which he has business relations.

## THIS WEEK IN INSURANCE

Lloyds' attorneys issue opinion clarifying stamp tax on non-admitted insurance and reinsurance. Page 1

Demand is rising for legal liability coverage on the part of contractors doing government work that are instructed by the government not to carry fire and marine insurance. Page 1

Rationing has not created any appreciable moral hazard in fire business so far, W. C. Perry tells Association of Fire Insurance Examiners of Chicago. Page 3

Seven insurance experts arrive from London to direct the operations of the British Insurance Communications Office. Page 1

Close underwriting of bowling alley risks is taking place today following the disastrous fire and explosion in Chicago. Page 4

Important case involving Missouri suicide statute is lost by B. M. A. Page 15

Julian Lucas makes searching analysis of closing the gap between war damage cover and the standard fire policy at meeting of New York City Blue Goose. Page 2

Annual reports of America Fore companies are made, showing increases in all directions. Page 3

Roy L. Davis, Casualty Executives association, gives inspiring message at annual meeting of Detroit Association of Insurance Agents. Page 2

British Insurance Association of London has set up plans for extending hospitality to United States forces in that country. Page 2

Charter is obtained for Maryland Fire & Marine by Maryland Casualty interests. Page 6

Howard Flagg retires as president of Employers Reinsurance due to ill health; J. B. Robertson is elected to succeed him. Page 15



## America Fore Has Great Record

**Premiums of Continental  
Up 9.3%; Fidelity-Phenix  
14.1; Other Gains Shown**

The annual reports of the America Fore companies have now been released. The utmost interest always attaches to reports of these companies as they are among the first to be issued and they constitute such a substantial element of the business, the figures give a good hint as to the over-all fire insurance results for the year.

In premium volume both Continental and Fidelity-Phenix reached a new high mark. The premiums of Continental were up 9.34 percent from \$25,798,966 to \$27,268,115. The increase of Fidelity-Phenix was 14.13 percent, from \$19,791,575 to \$22,589,430. The increase is attributable in a large part to ocean marine writings.

Premium reserve of Continental increased \$258,041 from the previous year and that of Fidelity-Phenix was \$1,042,820 higher.

### Increase in Losses

The experience in the marine business earlier in the year caused an increase in losses, those of Continental amounting to \$15,804,028 and Fidelity-Phenix \$13,713,219.

Expenses of Continental were \$10,508,226 which was a decrease of about \$240,000. Expenses of Fidelity-Phenix were \$8,198,485 which was an increase of about \$150,000. Underwriting profit of Continental was \$697,817 as compared with \$196,311 in 1941. Fidelity-Phenix had an underwriting loss of \$365,094 compared with a profit of \$732,269 in 1941.

Net surplus of Continental was up \$5,104,763, at \$64,253,665, and Fidelity-Phenix made a gain of \$4,010,557 and net surplus is now \$50,370,858. Since June 30, 1942, both companies made excellent surplus gains. At the mid-year surplus of each company was off nearly \$4,000,000.

Total assets of the companies in the group amounted to \$289,782,939, which is an increase of \$9,875,120 or 3.53 percent. The total surplus of the companies was \$152,674,051 or an increase of about \$2,400,000.

The assets of Continental are \$100,521,082, an increase of \$1,574,377. Assets of Fidelity-Phenix are \$78,826,048; Fidelity & Casualty \$59,423,786. The net surplus of that company was \$15,108,923 against \$14,438,128.

Assets of Niagara Fire are \$24,956,965 and surplus \$14,593,414. Assets of American Eagle are \$18,197,746 and surplus \$11,272,259. First American had assets of \$4,482,404 and surplus \$2,251,457. Assets of Maryland were \$3,374,908 and surplus \$1,355,641.

### Army and Navy Losses for the Past Year

In a list of fires for 1942 gotten out by the National Fire Protection Association, it is found that the losses to property in the Army and Navy camps and cantonments was over \$2,000,000. That is the amount where actual estimates were made. There were many losses where no estimates appear. One of the most disastrous losses of the year occurred in the magnesium plant at Las Vegas, N. Mex. There were six fires in this plant, the most serious one causing a loss of \$750,000. Magnesium has an explosive hazard and where it is used companies make a very rigid inspection of a plant.

## Vice-president



JOHN A. NAGHTEN

John A. Naghten, head of the John Naghten & Co. Agency of Chicago, will be advanced to the vice-presidency of the Chicago Board at the annual meeting. In the usual course of events, Mr. Naghten will become president of the board in two years. This will make the third member of the Naghten family who has held that post.

James I. Naghten, father of John A. Naghten, was president of the board for two terms, and the present Mr. Naghten's uncle, M. J. Naghten, was president for three terms. M. J. Naghten died in 1915.

John A. Naghten has served as director of the Chicago Board for two years and has taken an active part in various committee activities. He joined the agency in 1935, shortly before the death of his father. He is an attorney and before entering insurance served first as assistant public defender of Cook county and later as master and chancery in superior court of Cook County. His grandfather, John Naghten founded the agency in 1863.

### Survey Status of Agents Who Don Uniform

The National Association of Insurance Agents has received reports from 44 states regarding the status of agents' licenses in the case of those who are called to service in the armed forces. Many states provide for the agent's business to be conducted by some officially approved substitute while he is on war service, or immediate relicensing of the agent upon submission of renewal application after his discharge from war duties.

### N.F.P.A. Parley at Palmer House

The National Fire Protection Association will hold its annual meeting at the Palmer House in Chicago the week of May 10. The program will be devoted entirely to matters relating to the war effort.

### Peculiar Claim in Chicago

There are many peculiar claims made. In Chicago a man had a dwelling house policy with extended coverage. An icicle fell from the gutter and hit a window. A number of panes of glass were broken. The assured put in a claim under the windstorm coverage.

### Fraizer Confirmed in Neb.

The Nebraska legislature has unanimously confirmed the appointment by Governor Griswold of Cecil C. Fraizer for a second two-year term as director of insurance.

## Moral Hazard Not Serious Fire Insurance Factor Now

The moral hazard which the fire insurance people feared at the outset of 1942 failed to develop among small business men to any appreciable extent, W. C. Perry, manager of the Chicago office of the Retail Credit Co. said at a meeting of the Association of Fire Insurance Examiners of Chicago.

In discussing "The Effect of the Rationing Program on Underwriting," Mr. Perry said that even the automobile dealer has proved himself adaptable enough to keep going. He has sold second hand cars, done repair work, or converted to war production of some sort.

Quite a number of small businesses were forced out in 1942, including some auto dealers and approximately 33,000 food stores. However, many of the food stores and other businesses closed because the merchants went into defense plants, because of a shortage of merchandise, and because of entering armed service. The significant point here is the individuals involved were not forced to liquidate in the usual sense. They have been able to replace the income that previously came to them through their businesses. This is true also of filling station operators, many of whom were mechanically trained and could engage in war work. They have replaced previous income, perhaps have done better. Consequently there has been little moral hazard.

### Tax Situation Is a Danger

On the basis of present conditions, Mr. Perry said, examiners can continue to underwrite business pretty much as they did during 1942. He warned, however, that the tax situation may create individual moral hazard situations. The cost of living has increased, and many persons may have less money to meet the crisis on March 15 than they had at the same time last year.

The trend of the past year shows that industrial losses are up and rural and dwelling losses down, he said. The loss trend should not be too high. People are not going to be pushed economically to the point where they will want to cash in on their property values through fire. While individual situations may provide variations from this rule, it will continue generally true, Mr. Perry believes. In an eastern city stringent gasoline rationing has now made some residences too far from transportation to be of use to owners or to prospective buyers. Thus property can be of value yet of no present use to anyone. He added that when the war ends, and men return from the army, there will be great competition for jobs. The vast quantity of manpower now engaged in war production will be freed to some extent, and some individuals will not make the grade financially.

### Resorts, Taverns and Race Tracks

Judging from current reports, Mr. Perry said, outlying resorts have been hurt by rationing. Some taverns have been hit. Race tracks, with a heavy financial investment, face a serious problem if racing is called off or postponed or people cannot reach them. In addition, of course, many independent businesses depend on race track patronage for survival.

As a general observation, Mr. Perry recommended that despite present good loss conditions, examiners should not be too complacent. Losses can go up. Nowadays the examiner cannot underwrite, he said, as he did in the depression, on a class basis, but must do so on an individual, per person basis. He also warned that even though a class of business has proved itself adaptable in the emergencies many things can happen over which a business can have no

control, such as governmental edict. Consequently the examiner must keep on the alert and read and digest the news as it affects his job.

In the discussion following Mr. Perry's talk, an examiner said that the legal description of property furnished by the agent does not always show if the location is remote enough from well populated districts to reflect a serious "rationing situation." Certain localities are built up, have fire protection, etc., and a business there would not be seriously handicapped by gasoline and tire rationing. Other concerns that do not appear to be any further from the "center of things" actually are in sparsely populated districts with poor fire protection.

### Opposite Views Are Justified

Mr. Perry commented that these are times when wholly opposite views of the situation can be justified. One man told him that there were so many volunteer firemen in his town who had gone into service that he didn't know how the fire equipment could be gotten out. Another one said that the fire insurance people should be very happy because so large a percentage of the public is being now taught through civilian defense the principles and practices of fire prevention.

A. G. Sutter, America Fore, president presided. R. J. Petrick, Atlas chairman committee on men in service, reported the organization has half a dozen or more men now serving in the armed forces. The next meeting will be Feb. 18.

B. J. Schulze of Great American represented the membership committee in a spirited defense of continuing the association and its activities for the duration, though some members have entered service and others have additional responsibilities because of the war.

## Hail Insurers Closely Eye Greatly Increased 1943 Hemp Seeding in Midwest

The development of hemp growing in the middle west on a vastly expanded scale in 1943 has attracted the attention of hail insurance men. Already farm agents are making inquiries of the companies as to hail coverage on this crop.

On present estimates between 40,000 and 60,000 acres will be planted to hemp in Illinois this year, about 60,000 in Iowa, where 15 processing plants are planned in the north central district to manufacture hemp cordage, and there will be extensive seedings in Indiana. Wisconsin already has about 15,000 acres in hemp. In Kentucky last year 40,000 acres were planted for seed purposes alone, and the estimate this year is 300,000 acres for fibre purposes. The only factor that may hold down the acreage somewhat is lack of seed. Hemp grown for fibre does not produce seed.

### Hail Experience Has Been Good

Experience of the hail writing companies with hemp has been good, though the exposure has not been extensive. Losses are adjusted on the basis of weights and grades. The plant grows as high as 13 feet, is very thick, and even severe hail storms do not damage the stalk far below the top, so there is seldom if ever a total loss. As planting expands the hail then will get a better spread and the experience should improve. It costs about \$10 to plant an acre, and with that much involved the farmer wants to insure. His potential gross earnings on hemp are \$100 an acre or better, which is about twice what it was in the days before the war when supplies of hemp could be secured cheaply from the East Indies and the Philippines.

## Insurers Watch Bowling Alley Risks Closely

U. & O. underwriters are much interested in the developments following the fire a few weeks ago that destroyed the Beverly Recreation Parlor on the south side of Chicago, this having been a large bowling alley and cocktail lounge. Seven persons lost their lives in the fire. There is \$80,000 of use and occupancy insurance involved. The assured is making every effort to get permission to rebuild, as it was a thriving enterprise. Negotiations are taking place with War Production Board authorities in New York, Washington and Chicago.

One of the principal reasons cited to the WPB in the application for permission to rebuild is the fact that the bowling alley was largely patronized by defense workers. The WPB then requested the owners to supply a list of names and addresses of such workers and the management is now busily engaged in getting that information together.

### Need Little Critical Material

The management states that very little critical material will be needed in rebuilding. The Brunswick-Balke-Coller people have given assurance that they can supply all the equipment needed; much of the plumbing can be salvaged and about all that is needed that is now on the critical list is electric wiring.

If the WPB denies permission to rebuild, then the insurers may be faced squarely with the perplexing, theoretical issue that has been so prominently engaging the attention of those interested in U. & O. and rent insurance, that being whether the companies are liable for aggravation of loss due to order of civil authority.

Although various interests have been making investigation apparently no conclusion has been agreed upon as to the origin of the fire. There have been various theories advanced and the Chicago police department, it is understood, has seen to it that all pin oil, shellac and other flammable fluids are being removed from bowling alleys. It is reported that several companies have canceled off use and occupancy coverage on bowling alleys as a result of the Chicago experience.

### Inspections Being Made

Fire companies are asking inspection companies to give them fresh reports where the risk has been on the books for some time or new ones where the risk is just being taken on.

The Chicago fire spread with explosive rapidity after a door was opened to let in a gust of fresh air. It has been suggested that the dust created by friction of balls rolling constantly on the wax and shellac of the alleys and striking the pins built up an explosive dust mixture in the air. However, inspection men say that this is not the case. There would not be enough dust to create a serious hazard of this kind. The loss occurred in extremely cold weather and there was little or no ventilation. It is possible that gases from the fire built up under the roof and when fresh air from the open door struck these gases there was in effect an explosion. The loss was increased because firemen were hampered by frozen hydrants.

### Three Things to Watch

Inspection engineers say that if there is proper housekeeping, if pin boys are not permitted to sleep on the premises, and if the work room where pins are shellacked and in which wax and shellac for the alleys are stored is properly ventilated and lighted, bowling alleys constitute a favorable class of risk. These

(CONTINUED ON LAST PAGE)

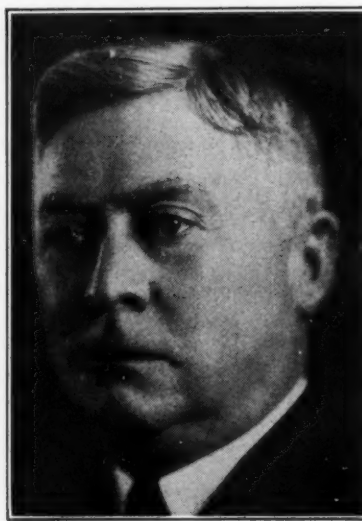
## Chicago Agency in 50th Year



R. A. NAPIER

The R. A. Napier & Co. agency of Chicago which will have completed 50 years of existence in November, is emphasizing that this is its golden anniversary year and is using special stickers and in other ways is marking its half century point. R. A. Napier, the president, who founded the agency with the late Hugo Dalmar, still occasionally visits the office and he takes an active interest in its affairs.

George R. Bowman, who on Thursday of this week is completing his second term as president of the Chicago Board, is vice-president, having been with the agency since 1901. Mr. Bowman started in the insurance business 51 years ago with Agricultural and then from 1898-1901 he conducted an agency business operating as Radcliffe & Bowman. Richard Napier, the son of the



GEORGE R. BOWMAN

president who is secretary, started with the agency in 1923 and has been a member of the firm since 1925. Harry Liebrock, the treasurer, has been with the agency 19 years and a member of the firm since 1939.

Mr. Napier and Mr. Dalmar were employees in the Chicago office of Dwelling House of Boston when they formed the agency. About three years later Mr. Dalmar left to form his own agency.

Mr. Napier has developed a peony garden on his place at Blue Island, Ill., that is a noted beauty spot and each year it is visited by hundreds of friends.

The Napier office has represented Aetna Fire about 25 years, Commercial Casualty for the same length of time, Automobile of Hartford since it started and a number of other companies for shorter periods.

### To Hear Arguments in S.E.U.A. Case May 3

May 3 has been set as the date on which Federal Judge Underwood at Atlanta will hear the arguments on the demurrer filed by the Southeastern Underwriters Association in seeking dismissal of the anti-trust indictment on the ground that it invades the rights of the states and that insurance is not commerce. John T. Cahill, formerly United States attorney at New York, will speak for the defendants.

### Camden Fire Poster Relates to War Effort

The first of a series of dramatic, two-color posters, tying-in with the war effort, is being issued by Camden Fire to all its agents. This poster, which stresses war damage insurance, was designed by John C. Milligan, who also designed the National Board's "Fire Prevention Week" poster. The same artwork from which these posters are reproduced will be used for the front cover of the company's agent house organ, "The Camden Advisor," and as an illustration for a blotter to be enclosed with agent's mail to prospects.

### E. A. Henne to Be Director

E. A. Henne, vice-president in charge of the western department of the America Fore group in Chicago, is to be elected a director of Fidelity-Phenix at the annual meeting on Feb. 2.

Harry E. Helm, secretary of Fidelity & Guaranty Fire, is now in the grandfather class. A son was born to Mr. Helm's daughter and son-in-law, Vernon E. Scheid and Mrs. Scheid who reside in Moscow, Ida.

## Automatic Reinstatement Is Advocated by Block

J. J. Block, prominent local agent of East Chicago, Ind., who is vice-president of the United States Investment Company, has written to all of his companies and to the Indiana Inspection Bureau recommending that in connection with the unearned premium endorsement automatic reinstatement of the policy be provided, at the option of the assured. He was prompted to make the suggestion because of the fact that in Illinois the unearned premium endorsement has been changed to provide for automatic reinstatement when the loss amounts to \$100 or less. He said he assumes that a similar change will be made in Indiana.

Mr. Block feels that the companies should go further and permit automatic reinstatement if the assured so desires regardless of the amount of the loss. Mr. Block cites the amount of work involved following a loss in computing the unearned premium, increasing the loss draft by this amount and sometimes sending a special draft, then having the agency put through an endorsement calling for additional premium on which in many cases the figures do not agree, delivering the draft to the assured for endorsement, collecting the premium and forwarding it back to the company less commission. This, he believes, is idle effort. He states that in a recent loss in which an unearned premium endorsement was involved, different companies had calculated the unearned premium differently and these differences had to be reconciled.

### Chief Objection to Proposition

Mr. Block said he anticipates the chief objection to what he proposes is that if there has been an increase of rate during the term of the policy, the amount of the unearned premium insurance will not provide the necessary amount to reinstate but he said from practical experience he has found that this is not an important factor and he also points out that there is about an even chance that the rate will have been reduced during the term of the policy.

If agents are willing to waive the small amount of commission involved, Mr. Block expresses the belief that the companies can secure enough advantage from that source to take care of any slight increases that will be brought about by the increase in rate during the term of the policy.

In the District of Columbia the assured may buy an automatic reinstatement endorsement, but the rate is twice that for the unearned premium endorsement which is also available there.

Mr. Block is a former director of the Indiana Association of Insurance Agents.

### Puckette Chief Editor of "Insurance Index"

John E. Puckette, who resigned recently as editor and president of the "Insurance Field" after 16 years of service, has now joined the "Insurance Index" of Louisville. He has been designated as editor-in-chief and according to James E. Dunne, publisher, will have final authority in editorial matters.

Prior to serving on the "Field," Mr. Puckette was on the editorial staff of daily newspapers in Columbia, S. C., Louisville and Daytona Beach, Fla. He is a veteran of the Mexican border and the former war and at one time was private secretary to Governor Manning of South Carolina.

### Resolute Denies Contract

RICHMOND—In answer to Southern Mutual's suit for \$10,000 against it, Resolute fire denies entering into any contract or agreement with Southern Mutual as alleged and asserts that it made no promises concerning rewriting of policies. It entered the technical plea of non est factum.

### Mutual Advertisers Prevention

Central Manufacturers' Mutual of Van Wert, O., has launched an advertising campaign in national magazines stressing the importance of fire prevention. Unnecessary fires are characterized as "the fifth horseman," and illustrations are built around this theme. A free copy of a booklet, "Confessions of an Old Flame," is offered in connection with the advertising.

The Insurance Women of Wichita will hold their annual "bosses day lunch-

### Status of Mrs. Chapman

In a recent editorial commenting upon the possibility of experienced women serving as company field men, Mrs. Helen Chapman of Wisconsin was cited as an example. It was erroneously stated that she is state agent for both Millers National and the affiliated Illinois Fire. She does serve in that capacity for Millers National but the Illinois Fire state agent in Wisconsin is Emil Walther of Appleton. Mr. Walther was with Illinois Fire prior to Millers National purchasing the company and he has continued in this same capacity.

Feb. 14. An attendance of 150 is expected. They are completing the second study course on burglary, under the leadership of B. J. Weldon of Dulane, Johnston & Priest and will then take up the public liability and workmen's compensation course.



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of policyholders and has cemented the mutually profitable relationship between the Company, its Agents and Brokers—a large majority of whom have been "Preferred Producers" for a long period of years.

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## NEWS OF THE COMPANIES

### Maryland F. & M. Chartered by Maryland Casualty

Maryland Fire & Marine of Baltimore has been incorporated as an affiliate of Maryland Casualty. A few months ago when Maryland Casualty revised its capital structure, announcement was made that one of the purposes of the new financing was to pave the way for entry of the organization into the fire insurance field. The management states that it has no concrete plans at this time for operating Maryland F. & M. The charter was obtained now with the purpose of protecting the name and so that the company would be available when plans have matured. There is, of course, another fire insurer with the title "Maryland," it being Maryland Insurance Co. of the America Fore group.

### Swiss Re Scans World Results

The annual statement of Swiss Reinsurance for 1941 has just become available in this country. At the close of the year its assets amounted to \$200,774,224. Its paid-up capital was \$5,395,348 and surplus \$11,182,599.

The management observes that during the first two years of the war, premium income of Swiss Reinsurance suffered a reduction mainly through the falling off of motor business but 1941 was marked by a notable increase in premiums in most branches. The results were satisfactory. Fire insurance with a much increased premium income produced a larger profit than the previous year. With the exception of a single country where the business has run unfavorably for years, hail insurance showed a surplus. There was an expansion in premium income from marine insurance and the result was favorable. The surplus obtained on accident business in certain European countries was almost entirely absorbed by deficits accruing in others and particularly by the poor experience in aviation insurance. In the United States, the business produced a higher profit.

In third party liability insurance the premium income remained almost stationary after the considerable drop of the previous year. Despite the effect of inflation on loss settlements a profit was obtained. Premiums paid in advance on laid up vehicles were passed to reserve. In sickness insurance an increase in losses is to some extent counter-balanced by a reduction of the cost.

In burglary and theft insurance the shortage of commodities in certain countries led to a rise in the number of losses resulting in reduced profit. Surety and fidelity guarantee produced favorable results.

The easy conditions that have been characteristic of the money market since the outbreak of war still remained substantially unchanged in 1941 and led in many countries to a further shrinkage in interest rates. The figure of interest earned was, however, slightly augmented due to the expansion in interest bearing assets arising out of the general increase in business.

### Buffalo Elects Sailor and Dillon Vice-presidents

Buffalo has appointed George W. Sailor and John W. Dillon as vice-presidents. Mr. Sailor will continue as an assistant secretary of the company, a post he has held for 10 years. He has been with the company since 1926.

Mr. Dillon, who has been chief accountant since he joined the company in

July, 1936, also was named an assistant secretary. Board Chairman Philip J. Wickser and other officers were re-elected.

### National Union Pays \$2.50

National Union has declared a dividend of \$1.50 a share and an extra of \$1 both payable March 1, to stock of record Feb. 8.

### Resolute Fire Changes

William O. Sears, formerly superintendent of agencies of the Resolute Fire of Hartford, has been elected a vice-president. Mark M. Hart has been made vice-president in charge of accounting and statistics. He takes the place of N. W. DesChamps, who has received a naval reserve commission.

### Herbert Now Assistant Secretary

At the annual meeting of St. Paul Fire & Marine, Frank C. Herbert, for several

years office manager, was elected assistant secretary of all three companies with complete authority over personnel. Mr. Herbert has been identified with St. Paul since 1904 when he entered the employ of Van Arsdale & Osborne, general agents at Wichita, Kan. In 1907 he joined the home office staff as manager of the home office farm department and was advanced through various positions until he was made office manager some years ago.

### Buckeye Union Fire Reports

The Buckeye Union Fire in its new statement reports assets of \$950,173, an increase of \$133,739. Surplus to policyholders reached \$491,340, which included capital of \$200,000, an increase of \$46,834.

Premiums increased \$90,363, totaling \$605,430 for the year. Cash on hand was \$113,854 and government bonds \$275,900.

British & Foreign Marine has been admitted to Ohio.

St. Paul Fire & Marine has declared its regular quarterly dividend of \$2.

## VIEWED FROM NEW YORK

### NEW SAFETY CONTEST STARTS

Entry blanks in the second annual Gold Medal Awards competition for outstanding activity in promoting fire safety have been mailed to more than 11,000 daily and weekly newspapers and to nearly 900 radio stations by the National Board. These awards are based on evidence of constructive work in the fields of fire prevention and protection.

Each blank is accompanied by a brochure outlining the nature and purpose of the awards, the newspaper and radio winners of the first medals presented last year.

### HALL HEADS LOSS GROUP

E. F. Hall of Pacific Fire was elected president of the Eastern Loss Executives Conference at the annual meeting. The vice-president is Donald B. Sher-

wood, Commercial Union; secretary, R. C. Williams, North British & Mercantile; treasurer, R. P. Halley, National Union. The executive committee consists of W. G. Vail, Phoenix of London; L. A. Strong, Security of New Haven, and E. H. Lamond, Pacific National Fire.

Lieut. R. G. Saxby, U. S. N., formerly attorney at Columbus, O., discussed the recent case of "Holmes vs. Employers Liability."

### COLD SNAP BURSTS SPRINKLERS

The sudden cold weather which descended on the New York area the latter part of December resulted in many sprinkler leakage claims, averaging from \$1,000 to \$1,500, and numbering from 500 to 600. Loft and factory buildings were principally affected, the damage

occurring most frequently under skylights, near open windows and from frozen tank houses. The fuel oil shortage in the east was blamed to some extent for the condition, causing building owners to economize on fuel. The New York Board has recommended that a temperature of at least 40 degrees be maintained in buildings to prevent such a situation. The problem is also being met by installation of anti-freeze in the building sprinkler system and by use of a dry pipe system which requires that a valve be tripped before water flows into the pipes.

### N. Y. U. EVENING COURSES

New York University has announced a schedule of evening courses in fire, casualty, life and social insurance, also insurance law and practice, for the term beginning Feb. 3. Registrations are now being accepted.

### BIG FIRES IN DECEMBER

According to the New York Journal of Commerce there were the following fire losses in December of \$100,000 or more:

Stafford, Conn., woolen mill, \$100,000; Wilmington, Del., warehouse, \$100,000; Fort Fairfield, Me., garage and trucks, \$100,000; Boston clothing company, \$300,000; Boston coal wharf, \$300,000; Boston, two business blocks, \$500,000; Brockton, Mass., building, \$200,000; South Attleboro, Mass., plant, \$200,000; Old Westbury, Long Island, dwelling, \$150,000; Mt. Kisco, N. Y., two buildings, \$100,000; Monticello, N. Y., two buildings, \$200,000; Plymouth, N. Y., business block, \$500,000; Potsdam, N. Y., two buildings, \$100,000; Syracuse, N. Y., hotel, 16 stores and terminal, \$1,000,000; Chester, Pa., three stores, \$200,000; Erie, Pa., automobile agency, \$155,000; Kensington, Pa., dwelling and four stores, \$500,000; Lancaster, Pa., building, \$133,000; Providence, R. I., shed, \$200,000.

Also: Carbondale, Ill., grocery and bakery warehouse, \$700,000; Chicago bowling alley, \$150,000; Kokomo, Ind., pottery company, \$400,000; Greenville, Ky., stores, \$400,000; Ann Arbor, Mich., \$100,000; Jackson, Mich., store, \$500,000; St. Louis, Mo., building and warehouse, \$150,000; Cincinnati gas and electric company, \$225,000; Cincinnati building, \$250,000; Cleveland plant, \$100,000; Lima, O., three buildings, \$200,000; Huron, S. D.,



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SAN FRANCISCO  
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PHILADELPHIA  
MONTREAL  
TORONTO

### American Equitable Assurance Company of New York

Organized 1918

### Globe & Republic Insurance Company of America

Established 1862

### Knickerbocker Insurance Company of New York

Organized 1913

### Merchants and Manufacturers Insurance Company of New York

Organized 1849

### New York Fire Insurance Company

Incorporated 1832

## Corroon & Reynolds, Inc.

MANAGER

92 William Street, New York

Losses paid exceed Two Hundred and Fifty Million Dollars



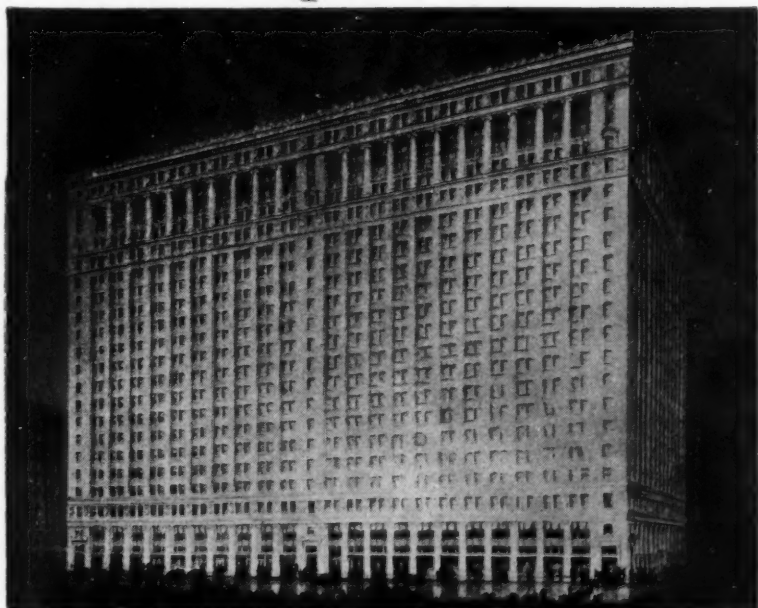


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building, \$100,000; Brownsville, Tenn., building, \$100,000; Nashville dwelling, \$100,000; Oconomowoc, Wis., seminary, \$100,000; Blakely, Ga., dry goods store, \$100,000; Burlington, N. C., two warehouses and trucks, \$500,000.

Also: Beaumont, Tex., oil company refinery, \$500,000; Dallas warehouse, \$100,000; Kilgore, Tex., lumber company, \$100,000; Paris, Tex., two buildings, \$100,000; Norfolk, Va., furniture store, \$140,000; Rosslyn, Va., laundry plant, \$500,000; Hollywood, Cal., dwelling \$250,000; Los Angeles warehouse, \$150,000; Porterville, Cal., lumber mill, \$350,000; Vernon, Cal., grocery plant, \$500,000; Denver mill, \$500,000; Walden, Colo., milling plant, \$125,000; Portland, Ore., store, \$100,000; Portland, Ore., cannery, \$300,000; Markham, Wash., canning company, \$300,000.

### Mo. Case Hearings Adjourn to Feb. 8 at St. Louis for Final Session

Attorney-general McKittrick of Missouri last week adjourned the Chicago hearings in his anti-trust suit against fire companies, and will hold a session in St. Louis beginning Feb. 8. McKittrick expects to question Paul Terry, manager of the Missouri Inspection Bureau. Following his questioning of Mr. Terry, McKittrick plans to wind up his case.

John C. Harding, vice-president of Springfield Fire & Marine, and Charles F. Thomas, manager of the Western Underwriters Association, were cross-examined by company attorneys Homer H. Berger, David A. Murphy and Fred L. Williams before the Chicago hearing adjourned. Apparently Russell D. Hobbs, manager of the Western Actuarial Bureau, who has been on the stand almost 50 days during the course of the case in the past two years, has finished his part as a witness.

After the session in St. Louis, company attorneys plan to file a motion with Commissioner Windsor covering the admissibility of a great many exhibits which were permitted to be entered in the record subject to connection or to objection. This will require some time to prepare and for the commissioner to act upon. Company attorneys then will prepare their defense.

So far as Mr. Thomas and Mr. Harding were concerned the examination covered largely a letter written by the Western Underwriters Association at the time a movement was on for the organization to take jurisdiction of the automobile business. The letter stated that it would be impossible under the rules of the W.U.A. to do this because it was not a rating body and the automobile business demanded specific rating methods. In the letter reference was made to the subscribers actuarial committee in regard to rating. Therefore, the questioning of the two men was an effort to clear up the meaning of this correspondence. The letter was addressed to Mr. Harding.

### Statler Commissioners Boston Headquarters

BOSTON—Headquarters for the meeting of the National Association of Insurance Commissioners here June 6-8 will be the Hotel Statler.

### Committee Meetings at Tulsa

NEW YORK—Meetings of practically all standing and special committees of the National Association of Insurance Agents will be held the afternoon of Feb. 15, the opening day of the midyear meeting of the National Board of State Directors at Tulsa.

A son, Robert L. Barbour, Jr., has arrived at the home of the senior, who is in charge of agency publicity at the head office of the Mutual Life. He was born at Mountainside Hospital, Montclair, N. J. He is a grandson of U. S. Manager R. P. Barbour of Northern Assurance.

## NEWS OF FIELD MEN

### Daniels to Be Local Agent at Joliet; Gorder Norwich Union Ill. State Agent

C. F. Daniels, Illinois state agent of Norwich Union, will leave Feb. 15 to become a local agent at Joliet, Ill. To succeed him the company has appointed Frederick Gorder, who is well qualified for the post by home office and field experience. He is a native of Illinois and has traveled a number of middlewestern states. The state agency headquarters will continue to be at 1159 Insurance Exchange, Chicago.

Mr. Daniels has been a leader in organization and educational activities in the state. He is a close student of the business. Before going with Norwich Union several years ago, he was with Fred S. James & Co., Chicago.

### G. H. Martin Named Head of N. J. Field Club

NEWARK—George H. Martin, state agent New York Underwriters, was elected president at the annual meeting of the New Jersey Field Club. Other officers elected are: John D. Sullivan, Crum & Forster, vice-president; Fred G. Adams, Travelers Fire, secretary; Harry W. Kohler, America Fore, treasurer.

The executive committee is composed of L. Gilbert Clark, Springfield group, Harold W. Wittich, Providence Washington, C. P. Carlson, Glens Falls, and J. J. Broughton, North America.

### Corroon & Reynolds Makes Changes in Philadelphia

NEW YORK—J. M. Owen will on Feb. 1 become manager of the Corroon & Reynolds group's Philadelphia office, succeeding E. C. McAuliffe, who is resigning to devote his entire time to his personal insurance business. Mr. Owen has been with the Corroon & Reynolds organization for a number of years in the home office and the field. He has had supervision of the group's business in Baltimore, Washington and Wilmington, and will continue in charge of that territory as Philadelphia manager.

N. C. L. King, who has been connected with the Philadelphia office for the last 12 years has been made assistant manager. He is widely acquainted among insurance producers in Philadelphia and is well qualified to take on his new responsibilities. Also associated with the Philadelphia office is Edgar Campbell who joined the Corroon &

Reynolds organization a short time ago as special representative. He has worked in the middle department territory for a number of years. He will devote his efforts principally to production work.

### Anthracite Field Club Elects O'Connell President

At the annual meeting Wednesday in Scranton, the Anthracite Field Club of Pennsylvania elected the following officers: Philip J. O'Connell, special agent New Hampshire Fire, president; W. C. Clegg, special agent Home of New York, who was treasurer for two years, vice-president; G. D. Cassar, district secretary Middle Department Rating Association, Pittston, Pa., secretary, re-elected, and Alan Wikman, Scranton, manager Fire Companies' Adjustment Bureau, treasurer.

### Peterson to Kan.-Mo. for Atlas

Robert W. Peterson, who has been associated with the Critchell-Miller Agency, Chicago, the past eight years, has been appointed special agent in Kan-

sas and Missouri by Atlas. Mr. Peterson succeeds Edward B. Swietz, who is now in the army signal corps. Mr. Peterson will have headquarters in the National Fidelity Life building, Kansas City, Mo. He served in the Critchell-Miller Agency in various capacities firewise including underwriting.

### Ohio War Activities Committee

H. L. Rubrecht of the St. Paul has been named chairman of the war activities committee of the Ohio Blue Goose. Other members of the committee are Paul F. Brown, Hanover; Fred H. Reiss, Employers, and Howard R. Underwood, Providence Washington. They will endeavor to correlate the pond's war activities with those of the grand nest.

### Inspect Fort Wayne, Ind.

A town inspection of Fort Wayne, Ind., Tuesday, Wednesday and Thursday of this week was one of the largest ever undertaken in the state. Fort Wayne has a population of about 125,000 and has a large number of plants engaged in defense work. R. E. Vernor, manager of the fire prevention department of the Western Actuarial Bureau, Chicago, spoke at a business men's dinner Wednesday evening. Charles W. Barger,



Your business is repeat business—it is the renewal that multiplies your income—only through constant study of conditions can you protect your business from competition—if you lose out to another agent it is probably because you have been asleep—if you lose out to a nonagency company IT IS because you have been asleep.



Will Wrightman  
FIELD CORRESPONDENT

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INSURANCE CO. LTD

LONDON & PROVINCIAL  
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YORKSHIRE  
INDEMNITY CO. OF N.Y.

30 JOHN STREET  
NEW YORK CITY



Caledonian, spoke Tuesday evening over radio station WOWO. Approximately 80 field men participated.

#### Worth Acts for Both Hartfords

Ernest E. Worth, special agent of Hartford Fire, is taking over the duties of Ben W. Hammond, Jr., special agent for Hartford Accident with headquarters in Spokane. Mr. Hammond has joined the army. Mr. Worth will now handle the field duties in that territory for both companies.

#### Stevens, Shields Cal. Speakers

LOS ANGELES—At the February meeting of California Blue Goose, Jay W. Stevens, for many years California state fire marshal, recently reappointed to that post, and Ma. John E. Shields, U. S. A., will speak. Before entering the service about two years ago, Major Shields had been with the Pacific as structural engineer.

He will be presented a past most loyal gander's pin.

#### Banks, Retired, Back on Job

J. H. Banks, who retired from business about four years ago after serving the Royal-Liverpool groups in the Pacific Northwest about 35 years, is back at work as special agent covering southern Washington. Mr. Banks takes over a portion of the territory formerly covered by Clifford W. Lundquist, who has been transferred to Salt Lake City to cover Utah. He will make his headquarters with State Agent D. A. McKinley in Portland, Ore.

#### Guernsey Slated in Hartford

R. D. Guernsey of Frederick Loeser & Co. of Brooklyn, who is president of the Risk Research Institute, will address a gathering of the Connecticut Field Club in Hartford, Feb. 1, on "Insurance as Viewed by the Insured."

#### America Fore Farm Field Parleys

The midwest farm and hail field men of America Fore this week and last have been at the western department offices in Chicago for conferences with Bert R. Walinder, manager of the farm and hail department; J. E. Cryan, assistant manager, and Grover C. Edwards, superintendent of the hail department. Attending were field men from Kentucky, Tennessee and Michigan; Indiana and Ohio; Kansas, Missouri, Nebraska, North Dakota, Oklahoma and South Dakota, and Illinois, Iowa, Minnesota and Wisconsin.

#### "Honker" Editor Resigns

Chester E. Farrell, state agent of Security, has resigned as editor of "Louisiana Honker," monthly publication of the Louisiana Blue Goose. For several years Mr. Farrell has put out a lively and readable sheet. A new editor has not yet been named. Mr. Farrell is a past most loyal gander and has served as deputy most loyal grand gander.

#### "Michigander" Makes Appearance

The first issue of "The Michigander," official publication of the Michigan Blue Goose, has just appeared in mimeographed form as a news letter to keep pond members at home and in military service advised of the news of other members. It is edited by J. F. Bohrer, Camden Fire; R. E. Wheeler, Hartford Fire, and C. H. Metzner, Phoenix of Hartford.

The first issue tells of a philanthropic activity of the pond, establishment of regular weekly luncheons in Lansing similar to those held in Detroit for many years and gives news of men in service.

#### Schedule Michigan Inspections

LANSING, MICH.—The Michigan Fire Prevention Association has scheduled two inspections, one at Alma and St. Louis, neighboring Gratiot county cities, on Jan. 28, and one on Feb. 18 at Three Rivers. J. Burr Taylor, Western

Actuarial Bureau, will speak at the Alma-St. Louis meeting and H. K. Rogers, W.A.B., will speak at Three Rivers.

#### Western Reserve Stag Party

The Western Reserve puddle of the Ohio Blue Goose will hold its annual stag party in Cleveland Feb. 8. There will be initiation and business meeting at 4 p.m. and a dinner at 6:30. Arthur W. Henry, Jr., Eagle Star, is chairman of the committee in charge.

The Sioux Falls, S. D., Blue Goose Luncheon Club heard a talk by Ensign Orville Beardsley, son of E. W. Beard-

sley, manager of Western Adjustment at Sioux Falls. He is stationed at Corpus Christi, and is home on furlough. John Scuff, special agent for Queen City Fire in North Dakota, was a guest.

The two Ohio field clubs will meet in Cleveland Feb. 9.

Lieut. Burton of the WAACs addressed the Iowa Blue Goose, explaining the activities of the organization.

The Dan T. Smith puddle of the Illinois Blue Goose at Springfield, Ill., has arranged for Monday luncheons at the Illinois Hotel.

Paul Zoelzer, who has just retired as Minnesota state agent of Agricultural, has had close to a half century of in-

surance experience. Starting as an office boy in 1893, he worked for various companies with offices on LaSalle street, Chicago. His first field job was as special agent of the Southern of New Orleans. He served that company several years, then joined the Illinois Inspection Bureau with headquarters in East St. Louis. In 1902 he was transferred to the Indiana bureau to organize that state and later became manager of the Terre Haute office. In 1913, Mr. Zoelzer returned to field work as Wisconsin state agent of National Union and served various other companies and agencies until he joined Agricultural in 1925 as Minnesota state agent.

This advertisement appears in the January 11th issue of TIME and NEWSWEEK



After an engraving from the original painting by Chappel.



Member Companies—Providing practically every form of insurance except life

Great American  
Great American Indemnity  
American Alliance  
American National  
County Fire  
Detroit Fire & Marine  
Massachusetts Fire & Marine  
North Carolina Home  
Rochester-American

## Shoulder to Shoulder for Maximum Protection

The Declaration of Independence was composed by five men—Thomas Jefferson, Roger Sherman, Benjamin Franklin, Robert R. Livingston and John Adams. Group action mirrored the will of a people. Group action, motivated by group ideals, is America's characteristic and traditional method of working for the good of all.

The Great American Group of Insurance Companies applies this same kind of group solidarity to fulfilling the insurance needs of policyholders. In these days, when property is becoming difficult and more expensive to replace, it behooves every man to look to the nature and degree of the insurance protection he requires.

The broad experience of the nine companies in the Great American Group, covering practically all forms of insurance except life, is available to you through its 16,000 conveniently located agents, or your own broker... ready to make you secure against losses from hazards increased by wartime conditions.

INSURE YOUR COUNTRY'S SAFETY—BUY UNITED STATES WAR BONDS AND STAMPS

## Timely Wartime Helps Suggested by Security, Ia., for Use by Agents

Several timely suggestions appear in a bulletin "To Help You During Wartime" issued by Security Fire of Iowa. The need for rent insurance is stressed in view of the difficulty in making prompt replacements in case of fire loss. A circular entitled "Insurance can pay your loss but not rebuild your property" stresses the importance of rent cover. Agents are urged to inform all policyholders regarding war damage insurance and recommend that they buy it.

Special attention is given methods of handling business by mail to conserve driving. A "conservation" slip to use in mailing policies is available which explains that the policy is being delivered by mail so as to save tires. It also urges immediate notification of changes in location, title or interest, vacancy and change in hazards or occupancy. An "emergency message" blank to use in soliciting renewals by mail is provided with an outline so that the insured can note changes which should be made in the policy.

The following power of attorney form, originally used by the Rochester, N. Y. Underwriters Board, is suggested for use when insureds go into service:

I (or we) hereby appoint.....  
my (or our) attorney to act for me (or us) in the adjustment and collection of any loss that may arise under any policy of insurance issued to me (us or either of us) and authorize her (or him) to execute proofs of loss and any and all other papers that may be required, and to receive and endorse any checks or drafts that may be issued in payment thereof, and to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully and to all intents and purposes as I (or we) might or could do if personally present, with full power of substitution and revocation, hereby ratifying and confirming all that my (or our) said attorney or his (or her) substitute shall lawfully do or cause to be done by virtue thereof.

IN WITNESS WHEREOF, I (or we) have hereunto set my (or our) hand(s) and seals(s) this..... day of....., 194.....

(Signed).....  
(Signed).....  
(Signed).....

State of.....  
County of.....  
ss:

On this.....day of....., 194...., before me, the subscriber, personally appeared..... to me personally known and known to me to be the same person(s) described in and who executed the foregoing instrument, and he (they) duly (severally) acknowledged to me that he (they) executed the same.

(Signed).....  
(Title).....  
(Notary Public or  
Commissioner of Deeds)

### Name N. Y. Insurance Committee

NEW YORK—Insurance committees of the New York legislature have been appointed as follows: Senate—W. H. Hampton, Utica, chairman, and Senators Warner, Williamson, W. J. Mahoney, Condon, Couder, Mitchell, Bainbridge Baum, Republicans, and Wojtowiak, Joseph, Pack, Gutman, Perry and Erway, Democrats; assembly—Wright of Jefferson, chairman; Reaux of Warren; Mackenzie of Allegheny, Kreinheder of Erie, Stuart of Steuben, Owens of Westchester, Crew of Kings and Mitchell of New York.

Unity Fire of New York has been licensed in Ohio.

## Decide Electric "Coop" Mutuals Not to Insure Individual Farmers

ST. LOUIS—How much of the fire insurance and casualty lines of the 800 REA cooperatives through 45 states will be written by the recently organized Rural Mutual Fire and Rural Mutual Casualty of Baltimore remains to be seen.

These mutuals will insure only REA financed cooperative electric systems that are members of the National Rural Electric Cooperative Associates, which closed its convention here, but neither the members of the NRECA or other REA financed cooperatives are under compulsion to carry their insurance with these new mutuals. Some 450 of the cooperatives are now members of the NRECA which was launched at Cincinnati last March.

At present no one insurer has a predominant share of the cooperatives' business.

T. B. Fitzhugh, general counsel of the NRECA, in addressing the convention, said the REA cooperatives have had an unfavorable accident experience. The Rural Electrification Administration which has advanced \$23,500,000 to the cooperatives is interested in the problem. No single insurer, he said, has enough of the business to justify it in organizing an intensive safety program.

### Won't Insure Individuals

It has been decided that the mutuals will not attempt to insure individual farmers even if they are members of an REA cooperative. It has not been determined in how many states they will seek license nor what the initial resources shall be.

The insurance committee of the NRECA includes: A. M. Seaman, Bath, N. Y.; John Dent, Huntingdon, Pa.; Robert Tisinger, Carrollton, Ga.; Valene Bennett, Alma, Ga.; John W. Wallace, Kings Tree, S. C.; Lester Wright, Bowling Green, Ky.; C. F. Helser, Thornville, O.; William Owens, Menomonee, Wis.; Lars Leifsen, Glencoe, Minn.; Percy Dealey, Grafton, N. D.; A. B. Davis, Sterling, Kan.; Ansel I. Moore, Poplar Bluff, Mo.; C. L. Langley, Neosho, Mo.; I. J. Neede, Malta, Ida., and T. E. Craddock, Seymour, Tex.

### H. E. Newell Signally Honored

Harry E. Newell, assistant chief engineer of the National Board has been awarded the James Turner Morehead medal for 1941 for his "leadership in developing standards for installation and operation of acetylene equipment and systems." The medal is awarded for outstanding work in the acetylene industry or for advancements in the production or use of calcium carbide or acetylene. Present at the award dinner in New York was John M. Morehead, former minister to Sweden, who established the award in 1923 in honor of his father. The medal was presented to Mr. Newell by Henry Booth, past president of the association.

As engineer, committee member, and chairman, Mr. Newell has been mainly responsible for the establishment of standards for the installation and operation of acetylene equipment and systems.

The Sioux Falls S. D., Association of Insurance Women was addressed by Mrs. Doris Mundt of the Andrews agency in Sioux City, Ia.

# INSURANCE MEN IN ARMED SERVICES

Lieutenant (j.g.) Gaylord T. Forrest, one of the two Navy pilots who found Captain Eddie Rickenbacker and his companions on a rubber raft in the Pacific, was a bond special agent at San Francisco for Aetna Casualty before he volunteered for Naval aviation. Forrest was graduated from the University of California in 1938, and then went with Aetna Casualty and attended the Aetna's fidelity and surety training school. On Feb. 1, 1941, he became a naval aviation cadet and, on completion of his training at Corpus Christi in January, 1942, was commissioned an ensign and assigned to the Pacific area.

Clarence C. Myers, director of agency development of Badger Mutual Fire at the home office in Milwaukee, who formerly for several years was the Chicago branch manager, has been commissioned a first lieutenant in the safety and security division of the ordnance department stationed in Chicago.

W. G. and F. A. Hohenadel, Jr., Chicago insurance men, now are in the army as officers. F. A., Jr., formerly underwriter with Childs & Wood in Chicago, has been commissioned a sec-

ond lieutenant of infantry stationed at Camp Wheeler, Ga. W. G. was appointed a second lieutenant of infantry and is stationed at Camp Gruber, Okla. He formerly was in the loss department of Homeland at Chicago. Their father is a broker with Aetna Life and affiliated companies in Chicago.

Hubert Dornbluth, son of Paul Dornbluth, Cuero, Tex., local agent, and formerly associated with his father, is now serving in the army at Fort Sam Houston, Tex.

William L. Noonan, son of Henry L. Noonan, vice-president of the Detroit Insurance Agency, Detroit, has just completed the officers training course at Ft. Benning, Ga., and has been assigned to Camp Robinson, Ark., as a second lieutenant.

Several staff men of Stewart, Keator, Kessberger & Lederer, Chicago metropolitan supervising agency, recently have gone into service. H. F. Keator, Jr., son of the vice-president, who has been special agent, recently was commissioned a second lieutenant in the army stationed at Camp Sam Houston, (CONTINUED ON PAGE 24)

## SECURITY—THE NATION'S WATCHWORD

THEY  
DID  
THEIR

Founded  
1841



JOB  
IN  
1779

During the hard fighting in 1942 our boys yelled "Praise the Lord and Pass the Ammunition." In 1943 they're shouting "We've just begun to fight!"

Our job is on the Home Front and we've got to fight too. We're starting with the new all-out comprehensive Personal Property Floater. The complete details are featured in our January "BROADSIDE."

Come on men, we have a job to do in 1943!

KEEP BUYING WAR BONDS



1841 • MORE THAN A CENTURY OF SECURITY • 1943

## Mutual Companies' 1942 Figures

	Adm. Assets	Unearned Prems.	Net Surplus	Net Prems.	Net Losses Paid
Addison Farmers Mutual	352,148	179,833	163,219	101,349	27,123
Alliance Co-Operative, Kan.	512,246	228,927	279,845	182,408	90,311
Millers' Mutual, Ill.	4,073,169	1,654,860	1,992,276	2,202,079	643,033
Mut. Fire of Chester County, Pa.	655,803	282,259	350,089	282,161	64,840
Republic Mutual Fire, Kan.	905,097	279,663	610,848	228,393	84,936
Retail Lumbermens Mut., Wis.	335,712	33,089	288,910	55,916	6,913
Texas Hardware Mutual	294,525	73,236	120,835	108,742	25,029



## CHICAGO

### NEW CHICAGO TELEPHONE BOOK

The Chicago Insurance Telephone Directory for 1943 has just come from the press of THE NATIONAL UNDERWRITER and is being distributed. This is the annual telephone directory of the insurance business in Chicago. It is more comprehensive this year than ever before, containing 148 pages representing the complete market for insurance in the Chicago metropolitan area.

This year due to priorities on metals and plastics it was found impossible to continue the spiral binding which has been so handy a feature of this directory for a number of years. This binding, therefore, has been abandoned for duration, but will be resumed after the war has ended.

The directory contains two separate alphabetically arranged sections, the front part being devoted to insurance branches, agencies and organizations and allied offices in the Insurance Exchange, and the second section being a listing of those outside the Exchange. There also is a "Service Guide" of insurance and allied firms recommended by THE NATIONAL UNDERWRITER.

Copies of the directory may be secured from THE NATIONAL UNDERWRITER, A-1645 Insurance Exchange, Chicago, the single copy price being \$1.

### GATTORNA WINS PROMOTION

John J. Gattorna, chief underwriter of Stewart, Keator, Kessberger & Lederer, metropolitan supervising agency of Chicago, has been appointed assistant secretary. He has been connected with the agency since 1925.

### SUES HOTEL FOR DAMAGES

Mrs. Bessie Sonnen of Evanston, Ill., has sued the Hotel Byers of Mattoon, Ill., for \$10,000 damages. Her husband, William C. Sonnen, who was connected with the inspection bureau of the War department at Chicago, died from suffocation in the hotel in January last year when it caught fire. Mrs. Sonnen's suit was filed in Charleston and she charges that the hotel did not provide proper fire protection. Mr. Sonnen was the son of W. J. Sonnen, retired Chicago department manager of the St. Paul Fire & Marine. The son was formerly a field man in Illinois, was one of the examiners at the head office of the Detroit Fire & Marine, and later was the field man for James S. Kemper companies.

### PROMOTING WAR DAMAGE

Cook county agents and brokers are actively promoting the sale of war damage insurance, according to W. W. Hamilton, assistant manager of the Chicago Board.

In response to a recent offer by the board of promotional literature explaining war damage cover, the board received more than 200 orders from members.

### SPEAKS FOR FOUR HOURS

The Insurance Distaff Association of Chicago composed of key women in insurance held its January meeting last

week with Ed Hull, the celebrated numerologist, giving a lecture and demonstration. He spoke from 8 to 12 o'clock. The next meeting will be held Feb. 28 at Martin's restaurant, 120 South La Salle street, when C. M. Cartwright of THE NATIONAL UNDERWRITER will speak on "An Insurance Medley."

Mabel Laycock, Western Underwriters Association, vice-president, presided. Mrs. K. L. Belcher was program chairman.

### SMITH NOW IN CHICAGO

E. R. Smith, who was formerly state manager of the Home of New York group in Texas but who has become manager of the western hail department at Chicago, has located at the headquarters of the farm department in that city but his family will not move until June on account of the school situation.

Margaret S. Blodgett has been appointed a member of the executive committee of the New Hampshire Association of Insurance Agents. She took over her father's work with the John A. Sheehan Insurance Agency on his death. She has been in the business since 1921. She has served on the automobile committee of the state association for a number of years.

### Cocoanut Grove Club Has Assets Mainly in Liquor

BOSTON—Fire insurance coverage of approximately \$85,000, cash and checks to the value of \$777 and \$100,000 worth of liquor subject to possible confiscation by the federal government, with accounts payable of more than \$25,000 (much of it "owed" by former night club patrons), are the principal assets found by temporary receivers for the Cocoanut Grove night club left after the holocaust which caused the death of 490 persons, according to report to court. An involuntary petition in bankruptcy has been filed. Half a dozen suits have been filed against the property by relatives of victims. The collector of internal revenue for Boston, however, filed a lien for about \$13,399 for additional taxes claimed for the years 1937-1941, with penalties and interest.

### North Slated in Washington

David A. North of New Haven, president of the National Association of Insurance Agents, will address the Insurers Association of the District of Columbia at a luncheon in Washington, Friday. Superintendent of Insurance

### Snyder to Continue in Field Activities

E. St. Claire Snyder, 3449 Humboldt Avenue South, Minneapolis, who has been laid up owing to an infection following dental work, now finds himself sufficiently recovered to reenter field work. He has had a long and successful experience in such activity in the northwest. He was associated with the Fireman's Fund for some 21 years and in 1930 connected with the Fred L. Gray Company of Minneapolis as special agent serving that office for 12 years. He has traveled in the Dakotas, Minnesota, northern Wisconsin, the upper Peninsula of Michigan and Iowa. Mr. Snyder's infection due to extensive dental work floored him for the time being. He is now willing to take up field work again for the duration or longer.

Jordan and prominent Washington agents have been invited to attend.

H. H. Lipps of Lewiston, Ida., has resigned as state national director of the National Association of Insurance Agents. He is succeeded by R. S. Campbell of the Dollard, Perrault, Campbell Insurance Agency of Boise.

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

## YOU NEVER KNOW WHO'S LISTENING

IT is the duty of every insurance man and woman, as it is the duty of every American, to be particularly careful what he says and where he says it. The insurance business is so closely interwoven with manufacturers of essential army and navy supplies, that it is natural those in the insurance business frequently know in advance of new plants, additional employees, vital machinery about to be installed, and similar information. Engineers, inspectors and claim men have intimate knowledge of men and machinery in many a plant which is a cog in the wheel of the machinery which is making America the Arsenal of Democracy. Don't tell all you know. Don't repeat any information about any risk in any public place. Don't give the enemy the tip-off. You never know who's listening. Your best friend may be the sort of a person who likes to show off his knowledge, acquired from you, by saying, "Why an insurance man told me just the other day . . ." Get the proper information to the proper authorities as promptly as possible. *But make absolutely sure it gets nowhere else.* Such warnings have appeared before and will appear again. They should be repeated again and again and again.

*You Never Know Who's Listening*



THE EMPLOYERS' GROUP

110 Milk St., Boston, Mass.

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

### SPECIAL AGENT WANTED

Chicago Branch of Bureau casualty company wants Special Agent to solicit new accounts and service established ones. No traveling over week ends. Address Box R-27, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

### PLATE GLASS & BURGLARY UNDERWRITER

Here is a man with 12 years experience in Plate Glass and Burglary and Heavy Machinery lines. He is definitely draft-deferred.

### FERGASON PERSONNEL

Insurance Personnel Specialists  
166 W. Jackson Blvd. CHICAGO, ILL. MAR. 9040

## EDITORIAL COMMENT

### To Render Public Service

THE Illinois Fire Prevention Association has blazed the way for excellent public relations work and useful patriotic service in that it will line up with the state official authorities. Its members will be delegated to make inspections of elevators, mills, seed warehouses, food warehouses and other sources of supplies in bulk. The navy and army departments provide for inspection of industries that are allied with the war effort. However, there are unallocated businesses that are not inspected by federal or state authorities.

The Illinois Fire Prevention Association thus takes advantage of this opening to align itself with the Facilities Security Division of the state council of defense, which has in its primary charge these unallocated businesses. The inspectors will thus be able to perform a useful public service and will fit in with the state council's war program.

The inspectors when they go on this public service work will divorce themselves from their business in a way in

that they will not bring up the subject of insurance, rates, value or anything of that kind but their motive will be to make impartial inspection on a form that will be agreed upon between the association and the state authorities and then it remains with the state to take such action as it desires if conditions are not found desirable or changes should be made.

During world war No. 1, the field men of the central west were organized to do inspection work of all kinds that had a direct bearing on the war effort. While the military authorities have taken over the big industries that have for their mission the production of munition, war implements, etc., one of the best features of the fire prevention association will be the non-partisan attitude inasmuch as all field men regardless of affiliation who are members of the organization will do the work. They will be issued proper official credentials. It would seem that this is a pattern that other states might follow.

### Agency and Its Companies

Go to any point in the country, look over the local agencies, get a list of the companies they represent and one can very accurately gauge the value of the service and indemnity the agency renders to the community. An agent that represents standard, stable, forthright companies derives prestige from them.

They give an atmosphere of virility and soundness to the office. We often hear the old adage that a man is known by the company he keeps. We can paraphrase that a bit and say that an agency is known by the companies it keeps and also a company is known by the agencies that it keeps.

### Nationalizing State Supervision

ONE of the gravest questions confronting insurance is the possibility of federal regulation or control. Therefore not only are the state insurance commissioners giving this matter their most earnest attention but those in the business are studying it from all angles.

In his report to the New York legislature retiring Insurance Superintendent Pink made some comment on this topic which is most pertinent. He realizes that there must be, if we can use a paradoxical expression, nationalizing of state supervision. We mean by that the 48 insurance commissioners must get a national viewpoint of insurance, must realize the danger of obstructing the free flow of insurance. There is, of course, a lack of uniformity among the states which is unfortunate. However, we have this condition confronting us. It is up to the individual state commis-

sioners to expand their vision, raise their sights and endeavor to apply the laws in the broadest kind of a way.

Mr. Pink referred to the federal regulation issue as the most challenging fact confronting the institution. He plainly stated that insurance regulation must be on a national basis.

We have the 48 states with their insurance laws providing for state regulation. To destroy this machinery and centralize control in Washington might be a very serious menace to the welfare of the people as well as the industry itself. Superintendent Pink said in his report, "While it is difficult to regulate a large national institution through 48 separate supervisors with different laws, insurance regulation has nevertheless been successful and has constantly improved."

The state commissioners themselves

must face the problem, must do everything in their power to solve the difficulties growing out of state supervision. They alone must attempt to harmonize the differences and make state supervision more effective. We do not want bureaucratic methods used in federal supervision of the business. There is

too much concentration of power in Washington today. Insurance deals with a very human subject. It is close to the people. They prefer to deal with a commissioner instead of a bureau at Washington.

Mr. Pink, sound in his ideas, has given us excellent counsel in this respect.

## PERSONAL SIDE OF THE BUSINESS

The condition of **Milton C. Miller**, veteran Kentucky state agent of Royal, who suffered a stroke some weeks ago and has been confined since that time to St. Anthony's hospital, Louisville, has shown no change.

**George DuR. Fairleigh**, assistant secretary of the headquarters staff of the National Association of Insurance Agents, New York City, is the proud father of a daughter, Henrietta.

**I. F. Talbott**, for more than 40 years president of Farmers Alliance, McPherson, Kan., is observing his 90th birthday Jan. 28 on his farm near Miami, Fla., where he has made his home for some years. He continues as chairman of the company.

**Miss Madeline O'Neill**, secretary of the Illinois Household Personal Property Floater Bureau, Chicago, is still confined to St. Luke's Hospital after a month following a streptococcal infection. Mrs. Judy Miller is handling the office in Miss O'Neill's absence.

**M. D. Miller**, Crum & Forster group, was injured in an automobile accident near Bloomington, Ind. He has returned home to Indianapolis and is making good recovery.

**A. N. McCallum, Jr.**, Chiles, McCallum & Nagle Agency, Austin, Tex., has been elected potentate of the Ben Hur Temple of the Shrine.

**J. W. Nickerson**, formerly with the farm department of Millers National and now with Allstate Fire, is the proud father of a baby daughter. Mr. Nickerson is vice-president of the Association of Insurance Examiners of Chicago.

**Aubrey L. Owen**, Virginia special agent of the North America group, with Richmond headquarters, is back on the job after being confined to his home for a time with an injury to his back suffered in a fall.

**Miss Virginia Dorothy Cashel**, daughter of John R. Cashel, western manager of Providence Washington, and Mrs. Cashel was married last Saturday to Clifford George Groh, the son of Mr. and Mrs. George V. Groh of Wilmette, Ill., at St. Luke's Church, Evanston, Ill. Mr. Groh is a captain with the Chinese National Airways and he served as the youngest member of the former American volunteer group known as the "Flying Tigers." After a wedding trip to New York and Miami Beach Mr. Groh will return to China.

**Charles H. Roloson, Jr.**, president of Central Fire of Baltimore, has completed 40 years in the service of that company. On the 40th anniversary he arrived at his office to find his desk heaped with flowers and complimentary business. He was tendered a luncheon by the officers and directors. He is serving his second term as president of

the Baltimore Association of Commerce and is chairman of the Maryland war savings staff.

## DEATHS

**William C. Weeds**, 69, vice-president of General Insurors, St. Louis, died while driving his automobile from his home to the agency's offices. He had been under a doctor's care for some time, undergoing treatment for heart disease.

**L. P. Heiges**, 52, owner of the Carver-Heiges agency at Carver City, Mich., died there following a two week illness. He was an ardent sportsman. The agency will carry on under the same name.

**Willis N. Cady**, 82, president of Patrons Cooperative Fire of Middlebury, Vt., for 26 years, died there. He had served four terms in the Vermont legislature.

**Chauncey S. Beckwith**, 52, for 13 years with the C. Mark McLaughlin agency, Rome, N. Y., died there following an operation. He entered the insurance business in 1930.

**Davis Wyatt**, 92, pioneer agent at Fond du Lac, Wis., died there. Born in Bangor, N. Y., he went to Fond du Lac with his parents when 16 years of age. He started to work for the L. M. Moore agency as a youth and later became owner of the business, which developed into one of the largest agencies in Wisconsin, operated as the Wyatt Agency. A son, Harold, is now conducting the agency.

His insistence on going out on his regular trip when ill probably resulted in the death of **E. O. Erickson**, 44, Minnesota special agent of Northwestern National. Over the protests of his wife, Mr. Erickson started out on his southern Minnesota itinerary when the state was having its severest spell of cold weather. By the time he reached Mankato his condition was such that friends advised him to see a doctor, who told him either to go to a hospital there or return home at once. His condition became worse after he reached home and he died within two days.

**William R. Hunter**, 52, president of the W. R. Hunter Company, Indianapolis agency, died following an accident when his automobile was struck by a Pennsylvania railroad train.

**Mrs. W. B. Johnson**, 80, died in Los Angeles. She was the widow of the founder of the W. B. Johnson & Co. agency in Kansas City, who headed the agents' group there years ago when it was known as the Kansas City Fire



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"I remember my first accident. The insurance company paid me 15 bucks for a scratched fender."

**Underwriters Association.** Mr. Johnson died in 1935. Fred V. Griffith, who has owned the Johnson agency for a number of years, went to Los Angeles to handle arrangements for the funeral and burial.

**Donald G. High, 47**, who operated the High & Co. agency in Cincinnati, died suddenly after a brief illness. He had been in the business more than 20 years.

**Frank Z. Hickey, 66**, local agent in Erie, Pa., for 32 years, died there.

**Guy Moore**, Illinois special agent for the Funkhouser-Smith general agency of the Corroon & Reynolds group, is mourning the loss of his mother, Mrs. Harvey Moore, Olney, Ill.

**Lieut. Col. A. E. Gooderham** of Toronto, 67, vice-president and a director of Dominion of Canada General and Casualty Company of Canada, died at his home near Toronto.

**Mrs. J. H. Higgins** of Dayton, O., died Monday at her home, 231 West Fourth street. The funeral took place from the residence Thursday. Mrs. Higgins was active in Sunday School work. She would have been 71 years of age the day after her death. Mr. Higgins was one of the old time field men of THE NATIONAL UNDERWRITER. He had a large acquaintance all over the country and was highly esteemed.

**Mrs. Whitford**, mother of Executive Vice-president of Millers National died Tuesday at the home of a daughter in Kansas City and funeral services are being conducted Thursday at Olathe, Kan.

**John P. Desmarais**, well known fire insurance general agent of Louisiana, died at Opelousas, La., Jan. 24 and was buried in Houston Jan. 26. He formerly operated in Texas also but sold his Texas business several years ago.

#### WANTED

Man, well experienced in fire and casualty insurance, preferably with engineering background and training. Permanent connection with excellent future for party who can ultimately meet with executives and advise on insurance problems. Chicago headquarters, little traveling, no selling. Well deferred draft status required. Replies held in confidence. Address R-30, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

#### POSITION WANTED

Special Agent, executive, 15 years insurance experience, sales, supervising, underwriting, Fire and Casualty. Excellent references, will travel. All replies held strictly confidential. Address Box R-20, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

#### WANTED AUTOMOBILE UNDERWRITER

Thoroughly experienced in all phases of automobile insurance—with a definite aggressive personality—a record of complete cooperation with superiors and subordinates—who will be considered who does not have proper background and experience. For the right man a permanent position with future possibilities. Give complete details in first letter. Address Box R-28, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

#### FIRE INSURANCE EXECUTIVE

Twelve years experience. Underwriting, sales and rating bureau training. Agreeable to a reasonable amount of travel. Prefer middle west. Draft exempt. Address Box R-26, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

#### WANTED CASUALTY SPECIAL AGENT

For multiple line Bureau Company agency development and service work in Illinois, Indiana and Wisconsin. Casualty experience required. Headquarters Chicago. Write full details to Box R-29, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

#### WANTED—ADJUSTER

##### Chicago Territory

Experience all fire lines. In reply give full particulars. Address R-25, care The National Underwriter Co., 175 W. Jackson Blvd., Chicago, Ill.

#### COOK COUNTY SPECIAL AGENT WANTED

By Chicago branch office of established fire insurance company. Must be under 40, draft deferred. Previous field experience not essential. Must have good knowledge of fire insurance business. Excellent opportunity for ambitious man. In reply state age and qualifications. Address R-23, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

#### WANTED FIRE COUNTER MAN FOR CHICAGO AGENCY

Give age, past underwriting experience, salary, draft status and any other information helpful toward selecting proper man. Splendid opportunity. All replies treated confidentially. Address R-24, care The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

## Tradition Counts—

An Honorable Business Career of 138 Years



### CALEDONIAN INSURANCE COMPANY

Founded 1805

HARTFORD, CONNECTICUT




# SOUND SOLID SUCCESSFUL



**New Hampshire**  
FIRE INSURANCE COMPANY  
Manchester, N.H. Organized 1869  
CAPITAL \$3,000,000

**Granite State**  
FIRE INSURANCE COMPANY  
Portsmouth, N.H. Organized 1865  
CAPITAL \$1,000,000

# CONTINENTAL COMPANIES

General Offices: Chicago, Illinois

## Continental Casualty Company

Financial Statement—December 31, 1942

### ASSETS

Cash .....	\$ 5,251,544.40
*United States Government Obligations....	
Treasury Tax Savings Notes..\$ 1,847,300.00	
Other Treasury Obligations (Direct and Guaranteed) 20,412,685.75	
Total .....	22,259,985.75
*Other Public Bonds.....	3,012,345.55
*Railroad Bonds .....	\$ 724,196.51
*Public Utility Bonds.....	2,236,720.52
*Miscellaneous Bonds .....	2,332,598.08
Total .....	5,293,515.11
*Preferred Stocks .....	2,691,897.00
*Other Stocks .....	4,777,101.00
Mortgage Loans .....	344,790.47
Real Estate .....	149,835.67
Premiums in Course of Collection.....	3,876,333.02
(Not over 90 days past due)	
Accrued Interest and Rents.....	178,657.10
Other Assets .....	235,911.79
Admitted Assets .....	\$48,071,916.86

### LIABILITIES

Unearned Premium Reserve.....	\$10,637,129.20
Reserve for Claims.....	17,627,012.29
Miscellaneous Liabilities .....	2,897,842.17
Reserve for United States and Canadian In- come Taxes .....	1,663,436.83
General Investment Contingency Reserve..	1,100,000.00
General Insurance Contingency Reserve...	500,000.00
Capital .....	\$ 2,500,000.00
Surplus .....	11,146,496.37
Capital and Surplus.....	13,646,496.37
Total .....	\$48,071,916.86

\*Eligible bonds amortized. Insurance stocks valued on basis of pro-rata share of capital and surplus. All other securities at quotations prescribed by National Association of Insurance Commissioners.

Net Premiums written during 1942.....	\$28,767,636.20
Increase over 1941.....	736,926.74

## Continental Assurance Company

Financial Statement—December 31, 1942

### ASSETS

Cash .....	\$ 1,452,315.03
*United States Government Obligations....	10,040,611.00
*Other Public Bonds.....	446,769.60
*Railroad Bonds .....	\$3,118,854.49
*Public Utility Bonds.....	9,407,231.83
*Miscellaneous Bonds .....	4,107,783.27
Total .....	16,633,869.59
*Preferred and Guaranteed Stocks.....	1,596,925.00
*Other Stocks .....	276,020.38
Mortgage Loans .....	8,544,672.54
Policy Loans .....	4,271,713.84
Real Estate .....	355,985.84
Net Deferred and Uncollected Premiums..	1,433,396.74
Accrued Interest and Rents.....	361,047.36
Other Admitted Assets.....	22,610.57
Admitted Assets .....	\$45,435,937.49

### LIABILITIES

Statutory Policy Reserves.....	\$37,927,351.06
Death Claims Due and Unpaid.....	None
Pending Claim Reserve.....	1,643,847.90
Premiums Paid in Advance.....	395,645.55
Miscellaneous Liabilities .....	753,595.06
Group Contingency Reserve.....	300,000.00
General Contingency Reserve.....	100,000.00
Capital .....	\$1,000,000.00
Surplus .....	3,315,497.92
Capital and Surplus.....	4,315,497.92
Total .....	\$45,435,937.49

\*Eligible bonds amortized. All other bonds and all preferred and guaranteed stocks at quotations prescribed by National Association of Insurance Commissioners. Other stocks at lower of cost or such quotations.

Insurance in Force as of December 31,	
1942 (paid-for basis) .....	\$402,818,739.00
Increase over 1941.....	35,772,294.00

### DIRECTORS

H. A. BEHRENS, Chairman of the Board, Continental Casualty Co.; President, Continental Assurance Company

W. McCORMICK BLAIR  
Blair, Bonner & Company

\*W. G. CURTIS  
President, National Casualty Company

ARNOLD B. KELLER  
Vice President and Treasurer,  
International Harvester Company

PURCELL L. SMITH  
President, The Middle West  
Corporation

WILLARD N. BOYDEN  
Vice President

\*HARRY W. DINGMAN  
Vice President and Medical Director

\*F. D. LAYTON  
President, National Fire Insurance  
Company of Hartford

R. DOUGLAS STUART  
President, The Quaker Oats Company

ROLLIN M. CLARK  
Vice President and Secretary

FRANK R. ELLIOTT  
President, Harris Trust and  
Savings Bank

\*T. ALBERT POTTER  
President, Elgin National Watch  
Company

STUART J. TEMPLETON  
Wilson & McIlvaine

M. P. CORNELIUS  
President, Continental  
Casualty Company  
Vice President, Continental  
Assurance Company

CHARLES F. GLORE  
Glore, Forgan & Co.

\*HOWARD C. REEDER  
Vice President and Actuary

ROY TUCHBREITER  
First Vice President

\*Continental Casualty Company only

\*Continental Assurance Company only

The Continental Year Book discloses in greater detail the Companies' operations and financial structure. It will be furnished upon request.

Casualty Insurance

Fidelity and Surety Bonds

Life Insurance



# The NATIONAL UNDERWRITER

January 28, 1943

## CASUALTY AND SURETY SECTION

Page Fifteen

### Effort to Break Through Mo. Suicide Wall Fails

**B. M. A. Loses Important Decision Before State Supreme Court**

The uncommon difficulty faced by insurers in successfully invoking the suicide defense in Missouri is well illustrated by the decision of the Missouri supreme court in *Edwards vs. Business Men's Assurance*. B. M. A. won the case in the lower court but the supreme court reversed the judgment and remanded the cause. It appears that B. M. A. was making an exceptionally earnest effort here to get a decision that would tend to make the Missouri suicide situation less notorious in the insurance world.

The Missouri law is that insane suicide is not truly suicide on the theory that an insane intent or insane impulse resulting in the action causing death is no intention at all and, therefore, death by insane suicide is accidental.

Thomas H. Edwards was the insured. He had a \$7,500 personal accident policy. He died July 10, 1940, as a result of gunshot wounds suffered July 4.

Mrs. Edwards, the wife, sought not only the \$7,500, but interest, 10 percent as damages and \$2,500 attorney fees.

#### Two Theories Advanced

She tried the case both on the theory that death was the result of an accidental gunshot wound and an insane suicide. Edwards was 68 and resided at Salisbury, Mo. He was interested in a flour mill that closed in 1936. He had twice been mayor of Salisbury and a member of the school board. He suffered financial reverses and left no estate. He was indicted in 1936 and convicted on a charge of embezzlement of wheat. The conviction was reversed and the cause remanded by the Missouri supreme court, and the cause was pending at the time of his death. A cancer developed in his mouth in 1939, his weight dropped from 165 to 120 pounds, his eyes and ears were affected. An osteopath was permitted to testify that Edwards during the last month of his life was of unsound mind.

On the afternoon of July 4 he was heard to go to the bathroom and then there was an explosion. A Mrs. Adams, who was in the house went there. The door was locked, but Edwards opened it and said: "Mary, I have shot myself." The death certificate showed: "Suicide by revolver, shooting self through upper abdomen."

B. M. A. contended the evidence conclusively shows the strongest possible motive for suicide—a progressive incurable disease; intense pain and suffering, inability to communicate with friends and family; financial reverses

### Many Favor Social Security Spread With Modest Benefits

NEW YORK—As it becomes increasingly clear that powerful forces in this country are mobilizing to push through a greatly expanded social security program on the order of the Beveridge proposals, opinion among life insurance leaders appears to be divided roughly into three categories.

One group is undecided, feeling that not enough detailed information has been put forward to justify any opinion whatever. Another feels strongly that any material extension along the Beveridge lines is a hostile thrust at private enterprise and something to be fought with every means at hand.

The third and apparently the largest group agrees with the first that proposals here are still pretty nebulous but that whether an extension is to be praised or damned depends entirely on what kind of plan is adopted. They feel that the right kind of social security program would be a great thing for the country and for the life insurance business but that the wrong kind could gum up the national economy so badly the result would be little short of disastrous. They feel it is of the utmost importance for insurance leaders to use their influence in seeing that a helpful rather than a harmful type of program is eventually adopted.

#### Aim Is Important

The heart of the question seems to be whether social insurance is to be extended to cover the many classes not now covered and to provide desirable types of benefits not now provided or whether it is to go far beyond this and attempt to legislate a minimum standard of living for all. Some of the social planners who are strongly entrenched in Washington are thinking in terms of \$100 a month and more for everybody.

"Freedom from want" is the rallying cry for social insurance enthusiasts and nearly anyone will agree that this seems like a reasonable proposition. But just what is "freedom from want"? Is it to be just above the level of subsistence? Or is it to be a standard of living that we would like to see everyone achieve as a minimum? The concept of "want" can be expanded indefinitely, for there is

and criminal prosecution; that the fact that the gun had been loaded and unused for 30 years shows Edwards took it to the bathroom for use upon himself; that the evidence that there was no hole in the front of the pajama coat and that there were powder burns about the wound shows the coat was intentionally pulled back and the gun placed against the body at right angle to the heart.

The court declared a reasonable inference against suicide can't be excluded. No one witnessed the actual shooting. The bathroom door was locked. Edwards made no statement tending to show more than that the wound was self-inflicted. He did not indicate whether he had shot himself accidentally or intentionally.

The shot was fired on the Fourth of July and the court noted that fire arms are frequently discharged in celebration

hardly anyone with so much money that all his wants are satisfied.

There are two sharply differing social philosophies involved. The more conservative wants to prevent suffering and make provision against want in an orderly way that violates no one's self-respect. The other would like to see everybody in clover whether they deserve it or not. The idea that the latter aim can be achieved by taxing the productive elements of the country so as to pay out money to the non-productive is, if carried beyond a reasonable limit, as fallacious as the notion that money is the only contribution that the civilian population need make to the war effort. A war is paid for not only in money but in increased efficiency, elimination of non-essentials, and in self-denial. The productive enterprises of this country can stand only a certain amount of milking to provide social insurance benefits. Speeding up the milk machines beyond that point does more harm than good.

From a life insurance point of view, an expanded social security program on practical lines would undoubtedly be beneficial. Companies and agents have made good use of the social security plan as a foundation for life insurance programs. Social security has put a reasonable program of life insurance within shooting distance of many prospects who would otherwise pass up the whole idea as impracticable.

While the program outlined by Labor Secretary Perkins recently referred to funeral benefits, there was no suggestion of nationalizing the industrial life insurance business, as advocated by the Beveridge report, and readers of the latter will recall that the nationalization proposal was "bracketed," that is, it was not considered essential to the success of the plan, though deemed desirable by Sir William.

Even though a funeral benefit plan might cut into the industrial companies' business to some extent, the big increases in business which these companies have made is in the ordinary field and the effort has long been to get away from the "burial insurance" concept of industrial.

on that day. If suicide was intended, the court asked, why was only one shot fired and why was the bullet directed into the abdomen and downward? There was no evidence that the pajama coat was buttoned and intentionally pulled back.

The court ruled against the B. M. A. contention that Mrs. Edwards failed to make a case for the jury on the issue of Edwards' death by accident while sane or regardless of mental condition.

B. M. A. contended Mrs. Edwards did not make a submissible case on the theory of an insane suicide, because there was no substantial evidence that Edwards was insane when he shot himself. The court, however, held that the testimony of the osteopath was sufficient to make a submissible case.

The burden of proof to establish

(CONTINUED ON PAGE 23)

### Flagg Retires as Head of Employers Reinsurance

**Ill Health Dictates Action—J. B. Robertson Is Named President**

KANSAS CITY—Howard Flagg, president of Employers Reinsurance, presented his resignation to the board Tuesday. J. B. Robertson, executive vice-president and general counsel, was elected to succeed him. In consenting to the retirement of Mr. Flagg, the board specified that he should remain a director of the company and take the chair-



HOWARD FLAGG

manship of its investment committee, which has assembled the excellent portfolio of Employers.

The ruling personal factor in Mr. Flagg's decision to retire from active company management is the conservation of his health. He was away from the office two months early in the year, but improvement did not develop as anticipated, and he finally found it necessary to relinquish the major portion of his work.

#### Leaves Work in Good Hands

Although the home office personnel was greatly concerned for many months, it had been definitely hoped that Mr. Flagg's long rest last spring would end all possibility of his retirement. The decision has been his own. In announcing it, Mr. Flagg said: "Our staff has been so carefully built and has coordinated so long and so well that I feel quite at ease in leaving the Employers' future in their hands. Of course, I had

(CONTINUED ON PAGE 23)

## Anti-Freeze Suit May Presage Other Product Claims

SEATTLE—An interesting products property damage suit has been filed in King county superior court here by C. H. Keogh, a shipyard worker, against the Winterine Manufacturing Company of Denver, manufacturers of "Antarctic" anti-freeze solution. It is charged that the solution seeped into the crank case and damaged the motor of Keogh's automobile so badly that it must be replaced, although he followed the directions on the container and relied on a warranty that the solution would not damage the motor.

The suit may be the forerunner of a series of similar legal actions, according to C. C. Chavelle, attorney for Keogh. He said that he has received many similar complaints from motorists charging that various anti-freeze solutions have damaged motors.

### Warning From ODT

The Office of Defense Transportation, investigating complaints of motorists about anti-freeze solutions, said that quantitative analyses in many instances revealed the presence of calcium chloride and other chemicals injurious to copper and aluminum.

In the Keogh case the plaintiff quotes the warranty which appears on the face of the sealed container of "Antarctic."

J. J. Robertson, president of the manufacturing company, said the charges made in the suit are without foundation. He claimed that tests of the product were made in laboratories in various parts of the country and that all reports indicated that there are no harmful ingredients in the solution. He did not deny that the solution contains calcium chloride, but charged that various governmental agencies were circulating rumors which have alarmed motorists, but that no specific product has been named.

Casualty underwriters are watching the litigation with intense interest as it is believed product property damage liability insurance is involved in some cases. This class of business is considered extremely hazardous. One Northwest distributor claims he lost more than \$20,000 in making good claims growing out of the sale of a certain anti-freeze, although he said repeated analyses of the product revealed only a small quantity of salt in the solution.

### Oppose Exclusion as to Parking

NEW YORK—The proposed amendment to the New York financial responsibility law which would exempt the owners of a parked car involved in an accident is regarded as weakening the statute to some extent since it sometimes happens that a driver is partly or wholly responsible for an accident by the way he parks his car. For instance, if a man stops on a highway to repair a flat tire and fails to set up flares and some one crashes into the rear of his car, he is partly responsible because of his negligence in parking the machine. Another fault which causes many accidents is parking too far from the curb.

### Compulsory Bill in Indiana

INDIANAPOLIS—A compulsory automobile liability insurance bill has been introduced in the Indiana house.

A new house bill provides that operators of automobiles involved in accidents found guilty of violating a criminal statute or otherwise held responsible by the court for damages involved would be required to show financial responsibility for the future and guarantee the payment of damage sustained by the other party in the accident.

Another house bill requires that directors of a stock insurance company own own \$1,000 to \$5,000 stock.

## Maker of Premium Note Not Liable in Kansas Case

In Kansas a mutual may not accept a note in payment of premium and hence a bank that came into possession of a premium note taken by a mutual that subsequently blew up cannot recover from the maker. This was the decision of the Kansas supreme court in Fidelity Savings Bank vs. Grimes.

Harry E. Grimes, who was engaged in the motor transport business, signed the note for \$613, the payee being the now defunct Industrial Mutual Liability of Kansas. The note, representing the entire premium, provided for the payment of the premium in monthly installments and Grimes paid such installments by check until Industrial Mutual collapsed. Industrial Mutual cashed these checks. When the note reached Fidelity Savings Bank it contained the endorsements of Industrial Mutual and American Motors Investment Corp. The note was part of the collateral given by American Motors for a loan at the bank. Other similar notes were also hypothecated by American Motors.

The statute, the court observed, expressly requires that the policy shall provide for the payment of the premium and premium deposit in cash. A payment by note is not a payment in cash. It is not necessary to decide whether Industrial Mutual could profit by its own illegal transaction and then set up the illegal transaction as a defense. Grimes had not received benefits under the policy for which he had not paid. He paid the monthly installments by check when due. The bank attempts to collect from Grimes the face of the note notwithstanding the insurer was by statute expressly denied the right to accept the note in payment of the premium or as a deposit premium and notwithstanding the bank knew the note was obtained for that purpose.

Representing the bank were E. R. Sloan and F. A. Sloan of Topeka and Frank G. Theis of Arkansas City, Kan. Grimes' lawyers were W. L. Cunningham, W. E. Cunningham and D. A. Walker of Arkansas City.

## To Honor Commissioner Neel of Pa. Feb. 15

A reception and dinner in honor of Gregg L. Neel, Pennsylvania's new insurance commissioner, will be held Feb. 15, at 6:30 p.m. in the William Penn Hotel, Pittsburgh, by Pittsburgh insurance and real estate people.

Sponsoring organizations include Casualty Insurance Association of Pittsburgh, Insurance Club of Pittsburgh, Insurance Women of Pittsburgh, Pittsburgh Casualty Claims Association, Pittsburgh Accident and Health Underwriters Association, Pittsburgh Association of Insurance Agents, Pittsburgh Life Underwriters Association, Pittsburgh Real Estate Board, Smoke & Cinder Club of Western Pennsylvania, and Surety Association of Pittsburgh.

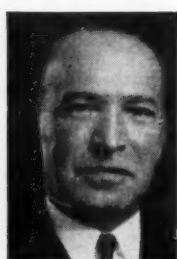
## New Globe Indemnity Officers



Clarke Smith



W. J. Thompson



J. J. McGuirk

Three new officers have been named by Globe Indemnity: Clarke Smith and W. J. Thompson are vice-presidents and J. J. McGuirk, Jr., secretary. Mr. Smith has charge of the agency and production departments, Mr. Thompson continues as head of the metropolitan department.

## Surety Producers Perfect Body

R. W. Thompson of Dallas Named President of New Organization

NEW ORLEANS—The National Association of Surety Bond Producers was organized in New Orleans Tuesday at a meeting which brought representatives from 38 states. The entire day was de-



R. W. THOMPSON

voted to organizational matters including the election of officers.

Officers of this brand new association are: R. W. Thompson, Dallas, president; R. L. Cobb, Minneapolis, first vice-president; Fred L. Garrett, Louisville, second vice-president; Hammond Storey, Atlanta, third vice-president; H. Phelps Smith, Nashville, secretary; executive committee—Durel Black, New Orleans, J. C. Meyers, New Orleans, C. H. Ritter, Denver, Martin A. Hayes, Nashville, Clarence Glenn, New York, and Jack E. Art, Little Rock.

The association starts with a membership of more than 100 firms. The purpose of the organization, President Thompson said, is to see that in the establishment of bond rates and commissions the interest of the public, the producers and the companies are served on a fair basis to all.

Mr. Thompson, prior to the meeting issued a statement asserting that the organization is not in conflict with the National Association of Insurance Agents but believes the latter's surety committee has not been sufficiently aggressive in certain directions. Mr. Thompson is a past president of the Texas agents association and is a member of the N.A.I.A. surety committee. The contract bond producers, he said, are in the minority in any agency association and in self defense they need an organization to protect them. He charged that in every rate reduction the producer is required to take the largest

## Pink Against Basing Social Security on Swollen Incomes

NEW YORK—State and county medical societies, hospitals, hospital plans, life and casualty companies specializing in group coverage, and medical expense plans should cooperate in an effort to work out a comprehensive medical care plan which would care for people in their homes as well as in hospitals and provide for families as well as wage earners, L. H. Pink, retiring superintendent of insurance of New York state, told members of the New York County Medical Association. A comprehensive plan, if feasible, would be far more beneficial to the public than the limited surgical plans now being sold, he said, though he conceded it would also be far more difficult to achieve.

Referring to the widespread interest in the Beveridge plan and the proposals for extending social security in this country, Mr. Pink said there has never been a more opportune time for the extension of medical and hospital service plans. He warned that it would be an easy way out to pass a comprehensive social security law but that if the income were not sufficient to carry it on a great deal of trouble could result that would be dangerous to a proper and lasting extension of the entire social security movement. Social security expansion, he said, should not be based on today's swollen incomes but on what the country can handle during the postwar years.

part of the loss. Whether it later becomes desirable to have the new organization affiliated with the N.A.I.A. depends on developments. Nevertheless, the surety group is a strong supporter of the N.A.I.A. "In self defense, however, we must be for ourselves first."

## Chicago Insurance Club to Hear Continental Cas. Counsel Discuss Tax Issues

John R. Peterson, counsel of Continental Casualty and assistant general counsel of Continental Assurance and Transportation of Chicago, has been secured as the speaker for the annual meeting of the Insurance Club of Chicago the evening of Feb. 9. "Current Tax and Other Governmental Problems of Insurance" is his topic. He will touch on a variety of questions of importance such as the application of the victory tax to local agents, practical aspects of the wage freezing order, the special appeal that exists due to tax considerations for self insurers to patronize the regular insurance companies, and numerous other points. He is well posted on tax matters.

Since last fall upon the death of General Counsel E. V. Mitchell, Mr. Peterson has been counsel of Continental Casualty, the title general counsel having been eliminated. Previously for seven years he served as assistant general counsel and most of his work was in connection with tax matters. He graduated from Northwestern University and Kent College of Law and practiced law for some years in Chicago prior to going with Continental Casualty.

Mr. Peterson will answer questions from the audience after he has completed his address.

The dinner will be served promptly at 5:30 p. m. with the idea of adjourning by 8 o'clock.

### Mutual Enters New York

The Pennsylvania Threshermen & Farmers Mutual Casualty has been licensed in New York. Jerome Greilshemer, 84 William street, New York City, is local counsel. About two-thirds of its business is workmen's compensation and the rest automobile and general liability. The company operates on an agency basis.



## Much Activity in Personal Liability Field

The issuance by bureau companies of the new comprehensive personal liability policy has met with a good response from the field and has resulted in considerable solicitation of new business and the reviewing of existing policies and situations of assured. A large number of policies that were written on the old basis have been rewritten under the comprehensive plan with the assured being given credit for the unearned premium on his old contract on a pro rata basis.

Although this rewriting produces a reduction in the premium for the basic coverages, yet over-all there has probably been an increase in premiums from the conversion, because of the sale of additional coverage such as guest medical payment, property damage liability and employer's liability.

Due to the fact that domestic help is so scarce these days and many families that have been accustomed to having a full time servant or two in the house are now doing without such help, there is some resistance to the sale of employer's liability coverage but many agents point out that people who formerly had a full time servant now have an occasional servant and the assured might as well get complete protection and set his mind at ease.

## Oregon Assigned Auto Risk Plan Nears Completion

PORTLAND, ORE.—Formation of the Oregon assigned automobile liability risk plan will be completed in about 60 days, according to Fred Reed, executive committee chairman, Oregon Association of Insurance Agents. Mr. Reed has modeled his plan along lines similar to the groups now operating in Washington and in California, both with successful records. The Oregon association is sponsoring the plan and the steering committee is composed of William F. Leary, deputy insurance commissioner; George H. Flagg, secretary state association; B. K. Campbell, northwest manager National Bureau of Casualty & Surety Underwriters; L. M. Koon, manager Oregon Casualty Association; Lowell M. Miller, Hartford Accident; National Bureau companies; J. E. Finke, Pacific Indemnity; R. W. Reppert, United Pacific; and E. F. Devoe, General Casualty, for company members of Oregon Casualty Association; I. H. Nader, for mutual companies; W. J. Braddock and Ray F. Lundy, for reciprocals; Paul W. Knaupp, non-affiliated mutuals; and E. M. Stadel, executive secretary Oregon Association of Agents.

London Lloyds has been writing much of the rejected business in the past under the surplus line law.

## Surety Bills in Minnesota

ST. PAUL—Nearly a score of bills affecting insurance in some degree have been introduced in the legislature, most of them of minor importance. A house bill cuts surety bond requirements of warehousemen in certain towns and villages from \$50,000 to \$25,000 and another provides for the bonding of livestock dealers.

Bills to strengthen the drivers' license and financial responsibility acts have not been filed yet. Lawyers are expected to again sponsor a compulsory automobile insurance act. A bill greatly enlarging the schedule of compensable occupational diseases is ready for introduction.

## Aetna Life Closes Saturdays

In response to Governor Baldwin's request that all business establishments in Connecticut close two days a week to conserve fuel, the home office of Aetna Life will close Saturdays as well as Sundays. Thirty minutes is being added to the regular work days.

## Cunneen Joins Staff of Safety Council



TERENCE F. CUNNEEN

Terence F. Cunneen has joined the staff of the National Safety Council as field representative in the division of safety councils. Mr. Cunneen, formerly executive assistant for insurance of the U. S. Chamber of Commerce, has long been connected with fire prevention, public health and accident prevention activities.

Following the practice of law for several years, Mr. Cunneen was from 1924-28 deputy superintendent of insurance for New York. He then became manager of the U. S. Chamber's insurance department, and was promoted to executive assistant in 1940.

Mr. Cunneen left the chamber last August to resume the private practice of law in New York. He was eager, however, to participate in the war effort. A veteran of the Navy in the first war, he tried to re-enlist, but was rejected for a minor physical disability.

## Fictitious Fleet Data No Longer Required in Minn.

ST. PAUL—Commissioner Johnson of Minnesota has notified companies that in view of a recent district court decision they are relieved from the further filing of fleet policy information "pending the final outcome of the litigation." The court held that the commissioner lacked authority to issue his rulings of last May and June defining "fictitious fleets."

Lloyds of Minneapolis had refused to furnish fleet data asked by the commissioner and went into court to determine his authority. Practically all other companies writing automobile coverage had complied with the request. While denying that the commissioner had the authority to issue the rulings, the trial court stated that he might institute criminal prosecutions where violations of the anti-discrimination statutes were found.

"We are still of the opinion that 'fictitious fleet' rates constitute discrimination," Commissioner Johnson stated.

## New Ohio Bills

COLUMBUS, O.—Bills introduced in the Ohio house provide: County commissioners may purchase insurance for county-owned motor vehicles and prohibiting issuance of chauffeur or operators license to a person against whom there is an unsatisfied live judgment.

Senator bills exempt members of the armed forces on leave from securing drivers license and permits agent writing automobile insurance to be appointed deputy registrars and as such to solicit insurance.

## Md. Cas. Shows Large Increases

BALTIMORE — Maryland Casualty had a net underwriting profit from insurance operations of \$4,761,405 in 1942. Policyholders surplus is \$21,194,649, an increase of \$1,012,226.

Net premiums amounted to \$32,135,226, an increase of \$3,480,660 over the previous year, and earned premiums amounted to \$31,322,342. Total assets were \$60,255,683, including cash amounting to \$12,176,356, government and government guaranteed securities amounting to \$25,190,840 and other bonds and stocks with an aggregate value of \$9,574,243.

## Mass. Bonding Premiums at Peak

The net premiums written of Massachusetts Bonding in 1942 exceeded by \$2,000,000 the best previous year in history. The total was \$16,910,960 and as compared with 1941 it was an increase of \$2,491,065.

The combined loss and expense ratio was 90.15 percent as compared with 94.36 in 1941. Capital is \$2,000,000 and net surplus \$6,789,040. Assets were \$26,790,242, an increase of \$3,061,689 for the year. Holdings of government bonds amounted to \$9,010,957 or an increase of about \$3,000,000 for the year.

Combined net earnings were \$1,755,230 after federal income taxes were deducted and compare with \$1,401,608 in 1941.

## Holt Los Angeles Manager

LOS ANGELES—Raymond C. Holt has been appointed Los Angeles manager of Eagle Indemnity. He succeeds A. E. Walker, who has become a partner in the local agency firm of Dike & Co., Redlands, Cal.

Mr. Holt is a graduate of the University of North Carolina, and came to Los Angeles in 1936 from Florence, N. C., to enter the banking business. In 1940 he entered the local agency business here, remaining in it until 1941, when he joined Maryland Casualty as special agent. He leaves that post to accept his new appointment.

## Detroit Committee's Good Work

DETROIT—The accident prevention committee of the Detroit Association of Insurance Agents, under Chairman F. C. Esper, A. J. Rohde agency, cooperating with the Detroit police department, last year did a remarkable safety job.

The four primary accomplishments were: (1) It cut accidents in the 16 months during which the campaign was conducted by 9,000 under the previous 16 months. (2) It reduced fatalities in 1942 by 42 percent under 1941. (3) It resulted in 4,000 traffic safety suggestions being submitted by the agents and public, many of which were adopted and (4) it brought about a better relation between the public and police department than ever before.

## Brent Wood Speaks

L. Brent Wood of Cleveland, manager United States Fidelity & Guaranty, spoke before the Cuyahoga (Cleveland) Board of Underwriters Tuesday. Mr. Wood is an attorney and has been an investigator for his company for 19 years. His subject was "Every Man Has a Price."

## Must Wear Boots

Although a number of odd bills are introduced in state legislatures, Ohio holds the prize so far for the measure classifying rheumatism and arthritis as occupational diseases provided the employee was wearing rubber boots at the time he contracted the disease.

Ray Duboc, president of Western Fire and Western Casualty of Kansas, and

## Reversal of Paul vs. Va. Wouldn't Destroy Bureaus

NEW YORK — Even though the pending federal anti-trust prosecution of the fire companies should result in the U. S. Supreme Court reversing Paul vs. Virginia and holding that insurance is interstate commerce it would mean not the end of rating bureau activity but probably a more important function for these organizations, E. W. Sawyer, attorney National Bureau of Casualty & Surety Underwriters told members of Risk Research Institute.

The Sherman law would not prevent activity of rating bureaus, Mr. Sawyer said. It would prohibit only agreements between carriers to use the rates developed. "If rates are advisory, the other bureau functions, such as the steps taken to establish uniformity in reporting experience, general underwriting principles and policy coverage, would not be in restraint of trade or commerce. Only agreements of the members with respect to the use of a bureau's activities would seem to be affected by the Sherman law.

"Consequently, there would be functions for rating bureaus—functions more important because the only means of maintaining any degree of stability in the insurance business. It is conceivable that with the element of compulsory compliance eliminated, many carriers which are not now members would find it not only possible but desirable to become members in order to have the advantage of advisory rates. With membership including all of the principal carriers, agreements for self-regulation, short of restraint of trade or commerce, could undoubtedly be made to stabilize competition to a degree which would prevent disasters in the insurance industry and consequent disasters to our business economy."

If the business is forced into unbridled competition over rates, the same disastrous results of the past must be expected unless rating bureaus can do something to stabilize conditions. There would be an even greater need for rating organizations because if they do not continue to collect experience and promulgate rates, quotations will be based almost wholly upon conjecture. If indicated rates are made for advisory purposes, some changes in rate making procedure would be required. Premium volume under such conditions could not be relied upon, but actuaries state that satisfactory rates can be made without the use of premium volume provided other essentials of homogeneity in experience are maintained.

Mr. Sawyer described the work and functions of a bureau as a stabilizing factor. "It is my belief," he said, "that the broader the understanding becomes that a bureau is a forum for discussion of public needs, in which all suggestions will be given a hearing, the greater will become the public confidence in the bureau and the greater its success in carrying out its work."

If the Supreme Court held that insurance is commerce, or such an aid to commerce as to bring it within its recent decisions, states would still have the right to control insurance until Congress enacted legislation and presumably the rights of states would be abrogated only to the extent that Congress assumed control, he said. Authority of Congress to regulate commerce between the states is a permissive power under the constitution.

Mrs. Duboc are in the east where their son Charles is graduating this week from the Massachusetts Institute of Technology at Boston. The Dubocs will spend two weeks in the east and stop on their return to Kansas City to see their other son, Robert, at Culver Military Academy. Charles Duboc has been accepted as an associate member of Sigma XI, national honorary science fraternity.

## ACCIDENT AND HEALTH

### Converse Vice-president of Inter-Ocean Casualty

CINCINNATI—H. A. Converse, Springfield, Ill., attorney and oldest member of the board of Inter-Ocean Casualty in point of service, was elected a vice-president at the annual meeting. Mr. Converse, who became identified with Inter-Ocean in 1914, served for a short time as its secretary, and has been an active director for nearly 30 years. The office is honorary and the election is a part of the company's 40th anniversary this year. Other officers were re-elected.

President J. W. Scherr in his annual report said 1942 premium income, payments to policyholders and beneficiaries, and surplus, increased substantially. Although predicting some decrease in the production of new commercial business, Vice-president W. G. Alpaugh stated that 1943 should be as good or better than 1942 because of the sharp increase in premiums in the monthly and industrial departments.

### Cranking Is Not Riding

A personal accident policy providing indemnity for injuries suffered while riding within a private automobile does not cover injuries sustained by the assured in cranking a car, according to the Pennsylvania superior court in McCowley vs. North American Accident. The assured tried to crank the car after it had stalled and was hurt by the recoil and disabled for 10 weeks. The court stated that the case seems to be too clear to require extended discussion. By no stretch of the imagination can a person cranking a car from the outside be said to be riding within it. In Pennsylvania the courts do not create a doubt in insurance cases which would not be tolerated in any other kind of contract in order to resolve it in favor of the insured.

John E. Cotsack of Hazelton, Pa., represented McCowley and E. Walter Samuel of Wilkes-Barre, North American Accident.

### Seek Newark Blood Donations

Wilbur F. Smith, Aetna Life, president of the Accident & Health Underwriters Association of Newark, has announced a campaign to assist the American Red Cross in obtaining blood donors.

Each member of the association has been asked to donate one pint of blood and in turn is asking each policyholder to do likewise. George McDowell of the Loyalty group is chairman of the committee.

### Discuss Planning Work

In the series of round table discussions being conducted by the Accident & Health Underwriters of Milwaukee the topic for the January meeting next Friday will be "The Science of Planning" as it pertains to accident and health selling, showing how to get the most out of a day and save shoe leather.

The discussion leaders will be Gilbert Diehl, Business Men's Assurance; E. G. Malone, Time, and Stanley Olyniec, Washington National.

### Steinmetz Detroit Secretary

DETROIT—George Steinmetz, adjuster for the disability division of the Continental Casualty, has been selected as secretary of the Detroit Accident & Health Association, succeeding Myles Clinch, Mutual Benefit Health & Accident, resigned. W. S. Faber, Detroit Insurance Agency, is president.

### Griffith to Address N. Y. Club

NEW YORK—M. D. Griffith, executive vice-president New York Board of Trade, will speak at the next meeting of the Accident & Health Club of New York Feb. 4 on "The Preservation of Private Enterprise."

### Frank E. Mueller, Jr., Joins Standard Accident

Standard Accident has appointed Frank E. Mueller, Jr., executive assistant attached to the personal accident and health department at the home office. His duties will be country-wide and will include working with Standard agents on both group and commercial coverages.

Mr. Mueller was educated at the University of Illinois and from 1930 to 1935 was an insurance broker in Chicago, selling all lines of insurance but specializing in accident and health. In 1935 he joined the Chicago branch of Continental Casualty, in charge of recruiting and training of new agents for multiple lines. In 1936 he was appointed agency secretary of the commercial accident and health department at the home office of Continental, in 1938 became superintendent of production of that department and a year later superintendent of agents.

### Gas Rationing Salt Lake Topic

The January meeting of the Salt Lake City Accident & Health Club, sponsored by the Walker Insurance Agency, was devoted for the most part to a discussion of ways and means of getting additional gasoline allowance for insurance salesmen. E. H. Azbill of the OPA gasoline rationing division led the discussion. While insurance salesmen generally qualify for "B" ration books, he does not believe they are entitled to any preferred mileage.

A. Harry Good, assistant manager of the Walker Agency, which is general agent of Mutual Benefit Health & Accident, conducted the meeting. In the absence of President D. C. Stephens, Security Life & Accident, Vice-president H. R. Grantier presided.

### New Los Angeles Company

Constitution Life of Los Angeles has been chartered with \$350,000 capital and has been granted a permit to sell stock. Victor F. Pettrich, agent of Occidental Life and life member of the Million Dollar Round Table, is president and H. F. Johansing of Cass & Johansing, well known Los Angeles fire and casualty agency, is vice-president. It is authorized to write accident and health as well as life insurance.

### Safety Man Speaks in Boston

BOSTON—Ralph W. Pendleton, assistant general manager Massachusetts Safety Council, spoke on "Mr. Insurance Man, Is It True or False?" before the Boston Accident & Health Association. Two quiz teams competed for \$5 in war stamps.

### Ullman Assistant Secretary

NEW YORK—J. L. Ullman, in charge of accident and health for a number of years at the W. L. Perrin & Son agency, has been elected assistant secretary of the agency. Mr. Ullman handles the publicity for the Accident & Health Club of New York.

### Social Insurance Forum

A forum on social insurance with particular reference to proposed federal disability insurance, will be held at the LaSalle Hotel, Chicago, Feb. 10, sponsored by the Insurance Economics Society of America.

Featuring the forum will be an interesting analysis of the Beveridge plan including significant facts about the costs of such a plan for the United States.

### Babcock to Speak

SAN FRANCISCO—C. D. Babcock, editor-in-chief of "Underwriters Report," will speak on "Social Insurance and the

Insurance Economics Society" at the Feb. 3 meeting of the Accident & Health Managers Club of San Francisco.

Mr. Babcock was field director of the Insurance Economics Society in 1917 when California voted on a scheme of social insurance advocated by Dr. I. Rubinow and conducted the campaign to defeat the proposal.

Kentucky Central Life & Accident has paid a dividend of \$2.50 a share to stockholders. A year ago the distribution was \$2.

## CHANGES

### Whelton to Hartford for Travelers; Hines Shifted

Daniel E. Whelton, assistant manager for fidelity and surety lines of Travelers at Albany, N. Y., is being transferred to the Hartford branch in the same capacity Feb. 1. Mr. Whelton succeeds Thomas Wilson, who is now in the navy.

John L. Hines, assistant manager for casualty lines of Travelers at Waterbury, Conn., has been appointed assistant manager in the same department at the Hartford branch. He will have headquarters at Waterbury.

### Boyd Is Youngstown Manager

W. R. Boyd, Lisbon, O., has been named district manager of the Farm Bureau companies in Youngstown, O., succeeding L. J. Brandt.

### New England Branch Moves

The New England branch office of Standard Accident has moved to the sixth floor at 50 Congress street, Boston. Clarence M. Leith, resident vice-president, is in charge of the New England office. He celebrated 20 years of service

### Johnson Assumes New American States Post

Henry R. Johnson, who has entered on his new duties as a vice-president of

American States and manager of the new tri-cities branch office at Moline, Ill., is thoroughly familiar with the insurance business. As an independent adjuster in the Moline area from 1928 until 1942 he received a comprehensive training in insurance matters. Since Jan. 1, 1942, he has been with Union of Indiana at the home office as claim manager, so he has the company as well as the field view point. He is widely acquainted in the field where he now is operating.



Henry R. Johnson

with Standard Accident Jan. 2. He was manager of the bonding department in Chicago before going to Boston in 1926.

### Pither with American Auto

A. L. Pither, who has been with Bowes & Co. in Chicago, having joined that agency following graduation from Northwestern University, has been appointed Cook county special agent of American Automobile.

### Barr to West American

Elmer L. Barr, for several years Los Angeles manager of Mercer Casualty, has been named agency superintendent of West American.

Bennett Moore, vice-president of Liberty Mutual, has been appointed director of public relations.

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## COMPENSATION

### Reorganize California Setup

SAN FRANCISCO—Governor Warren has started reorganizing the state industrial accident commission and the state compensation fund. Paul Scharrenberg, A.F.L. leader, has been named chairman of the industrial accident board. A new manager of the state fund is expected. Steps will probably be taken to prevent conflicts between the state fund and the insurance department which have occurred in the past.

### Texas W. C. Hearing Feb. 4

The Texas board of insurance commissioners will hold a public hearing at Austin Feb. 4 to consider the normal annual revision in workmen's compensation rates, adoption of a three year multi-split rating plan, and adoption of an endorsement to take care of situations where more than one carrier is insuring a risk and where there is insurance on a portion of the risk and none on the other portion. Manual rules and retrospective rating also will come in for discussion.

### Would Increase Neb. Benefits

A second bill has been introduced in the Nebraska legislature increasing death and disability awards under the workmen's compensation act from \$15 to \$20 a week maximum. It also increases salaries of judges of the compensation court from \$3,000 to \$4,200 a year and of clerk from \$1,800 to \$2,400.

### Give 1942 Neb. Payments

LINCOLN, NEB.—The state compensation court reports that in 1942 there were 56,566 accidents reported to it, 33,824 in war industries. Gross payments by insurers were \$330,782 for medical expenses; \$612,067 for compensation; \$71,633 for hospitalization and \$5,486 for nurse hire. Self insurers paid \$14,031 for medical expenses, \$25,833 for compensation and \$2,527 for hospitalization and nurse hire.

## SURETY

### Asks More Examiners in Neb.

LINCOLN, NEB.—State Auditor Ray Johnson, reporting to a legislative committee in support of a request for an increase in the number of county accounts' examiners, now limited to eight, said that during the past two years defalcations totaling more than \$100,000 had been disclosed in county officers' accounts. In all cases the surety companies paid in full.

### Farewell for J. R. Henry

James R. Henry, who is leaving Feb. 1 for New York to become head of the Travelers bond department at 55 John street, was given a farewell luncheon Tuesday by the Surety Association of Chicago. He has been surety manager for Travelers in Chicago. He was presented a traveling bag in behalf of the association by J. P. Keevers, resident vice-president of Maryland Casualty, Mr. Keevers having been Mr. Henry's first employer in Chicago. President Joseph I. Johnson presided.

The Surety Association will take a

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part in the convention of the County Judges Association of Illinois in Chicago Feb. 4-6. The association Feb. 4 will entertain the judges at a cocktail party, and the surety men will attend the luncheon Feb. 6. At the business session Feb. 5 there will be discussion of corporate suretyship.

The Surety Underwriters Association of Seattle has postponed its annual dinner meeting until next month.

## PERSONALS

Jesse Randall, vice-president and Tracy W. Smith, superintendent of agents in the casualty department of Travelers, visited the Chicago office for two or three days.

Victor H. Bartholomew, resident vice-president in Chicago, has just celebrated his 10th year with Standard Accident. He went with Standard in 1933 as manager and resident vice-president after having served as resident manager in Chicago of New Amsterdam Casualty.

Miss Barbara Jean Davis, daughter of Charles H. Davis, eastern railroad department manager of Pacific Mutual

Life, Chicago, was married to Sergeant James R. Williams of St. Paul. Miss Davis holds a pilot's license and plans joining the army auxiliary ferry command.

Martin B. Williams of Travelers' Richmond office was designated "Virginia's outstanding young civic leader in 1942" by the U. S. Junior Chamber of Commerce and Virginia Junior Chamber.

Miss Kay Goodfellow, a Stephens College graduate, leaves Feb. 1 to join the WAACs at Des Moines. She has been secretary for Roy L. Davis, manager of the Chicago office of the Association of Casualty & Surety Executives for the last two years. Miss Amelia Mancuso, a junior at Eureka College and a niece of Mr. Davis, left this week to join the WAACs at Des Moines.

Lew H. Webb of Conkling, Price & Webb, Chicago, will be leaving the city the last of the week for his annual vacation in Pasadena. He will probably be there for a month.

Lester J. Bradshaw, Jr., in charge of the brokerage department in Milwaukee of Fidelity & Casualty, was presented with a navy recruiting service award for "meritorious and outstanding effort in

civilian recruiting" by Lieut. Comm. Gerald Ellick.

Felix Stungevicius, who is connected with the Kemper group in Chicago, has been appointed vice-consul of Uruguay in Chicago. Mr. Stungevicius came to the United States in 1941 with James S. Kemper, president of the companies, upon Mr. Kemper's return from South America on his trip as president of the American delegation to the Conference of Associations of Commerce & Production of the American Republics that was held in Montevideo.

## DEATHS

David DeBarr of Chicago, special agent of the American Casualty, died suddenly after returning from a field trip. He contracted pneumonia. He was formerly special agent for the Metropolitan Casualty and Commercial Casualty.

Edward B. Owens, Jr., 70, manager of the liability department of Maryland Casualty since 1923, died of a heart attack at his home in Baltimore. For several years he had been comparatively inactive because of impaired health.

Mr. Owens joined the company in 1902 as a clerk in the secretary's division. A

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year later he became chief clerk in the liability department. In 1906 he was made assistant manager of the department, becoming manager in 1923.

**Willis G. Tallman**, 66, for many years president of Great Western of Des Moines, which was taken over by Washington National in 1937, died at Orlando, Fla., following a short illness. He became vice-president and a director of Washington National following the merger, but retired about a year ago and moved to Florida.

## ASSOCIATIONS

### Harris Elected President of Cleveland Managers

CLEVELAND—C. L. Harris, manager New Amsterdam Casualty, was elected president of the Cleveland Association of Casualty Managers at the annual meeting.



C. L. HARRIS

Other officers are: Vice-president, A. W. Lorenz, Maryland Casualty; secretary-treasurer, J. B. Lyles, Travelers, and executive committeemen: C. R. Dickson, American Surety; Bernard C. Sauer, U. F. F. & G.; Carl S. Kuhn, American Bonding, and C. L. Krum, Aetna Casualty.

### Ray Murphy Addresses Chicago Adjusters Group

Ray Murphy, assistant general manager of the Association of Casualty & Surety Executives, addressed a meeting Wednesday evening of the Casualty Adjusters Association of Chicago on "The Claims Man and the Public."

This was the last meeting over which Warren W. Blodgett, the president, will preside. He is connected with Hardware Mutual Casualty and has been transferred to New York to take charge of his company's claim office there and is leaving this week. To succeed him as president was elected James O'Connor of Car & General, who has been the vice-president. Glenn French of Liberty Mutual was elected vice-president.

### Cal. Unaffiliated Group Reelects

SAN FRANCISCO—Charles Seeley of Rathbone, King & Seeley has been reelected president of the Unaffiliated Casualty Managers Association of California, with Don R. Sessions, American Automobile, vice-president, and William

T. Selbach, Selbach & Deans, secretary-treasurer.

### Navy Films in Des Moines

DES MOINES—Several navy films showing the battle of Midway and the landing of American troops in Africa were shown at the luncheon of the Des Moines Casualty & Surety Club through the courtesy of the navy recruiting office here.

### Minneapolis Claim Men Elect

MINNEAPOLIS—At the annual meeting of the Minneapolis Claim Men's Association these officers were elected:

President, Wellington Tully, Hartford Accident; vice-president, A. T. Whaley, Anchor Casualty; secretary, Harry A. Miller, Hardware Mutual Casualty; treasurer, Paul Clement, Minnesota Commercial Men's (reelected).

### Field Men to Give Lectures

LOS ANGELES—Plans for the work of the Casualty & Surety Fieldmen's Association of the Pacific Southwest were made at the January meeting, including participation in the lecture course of the B. D. O. sponsored by the Insurance Institute of California. Six regional chairmen were named to handle

programs for local agents associations outside of Los Angeles.

Speakers also were selected for the lecture course to be given by the Insurance Exchange of Los Angeles, running from Feb. 25 to May 13.

### Baker Milwaukee Head

MILWAUKEE—Carter Baker of Leedom, O'Connor & Noyes was elected president of the Milwaukee County Board of Casualty & Surety Underwriters at the annual meeting, succeeding Bert Zinn, who was named to the board. John E. Masak, Geo. H. Russell Co., is the new vice-president; A. A. Veiten-

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haus, Dick & Reutemann Co., treasurer. Otto Gaedke, Gaedke-Miller Agency, and William Pfeiffer were also elected directors. The post of secretary, now held by R. A. Pittelkow, is filled by appointment by the directors and officers.

#### Form Claim Managers Forum

LOS ANGELES—The Claims Managers Forum of Los Angeles has been

organized with these officers: Chairman, A. J. Morrissey, Employers Casualty; vice-chairman, Richard Oliver, California Casualty Indemnity Exchange; secretary-treasurer, B. T. Sheppard, Hartford Accident. The officers, with William Kinsel, General Accident, and Jack Bigelow, Farmers Automobile Interinsurance Exchange, constitute the executive committee.

## NEWS OF THE CASUALTY COMPANIES

### Continental Cas. Sets New All Time High Records

An all time high record was set by Continental Casualty in 1942 as respects assets, surplus to policyholders and premiums written, the new annual statement reveals. Assets of Continental Casualty amounted to \$48,071,961 or an increase of nearly \$3,000,000. Surplus to policyholders rose to \$13,646,496 which is an increase of \$1,086,496. The operating profit after setting up reserve for federal income tax of \$1,650,000 was \$2,148,025. Dividends of \$750,000 were paid to stockholders. Cash and U. S. government obligations totaled \$27,511,530. Net premiums written increased by \$736,926 over the previous year and amounted to \$28,767,636.

The affiliated Continental Assurance also had an excellent year and set new all time high records. H. A. Behrens is chairman of Continental Casualty and president of Continental Assurance and M. P. Cornelius is president of Continental Casualty.

### Buckeye Union Makes Good Gains

Gains in assets, surplus and volume of business are reported by Buckeye Union Casualty in its 1942 statement.

Assets totaled \$3,915,832, a gain of \$541,289. Surplus to policyholders increased \$251,469 and totaled \$1,009,961. This includes capital of \$300,000.

Premium volume totaled \$2,990,544, an increase of \$19,000. Claim payments made during the year totaled \$1,180,647, bringing the total claims paid since organization up to \$8,432,794.

Premium reserve is \$1,391,385; special liability reserve \$1,010,353; claim reserve \$106,764; reserve for taxes \$185,000 and voluntary reserve to cover security fluctuations \$100,000.

Included in the bond account are U. S. government issues totaling \$932,000.

**West American**—Assets, \$1,602,022; inc., \$21,849; unearned prem., \$582,696; loss res., \$73,059; liab. res., \$19,610; comp. res., \$2,478; capital, \$300,000; surplus, \$513,884; inc., \$103,946. Experience:

	Net Prems.	Losses Pd.
Acci. med. payments	\$ 1,380	\$ 24
Auto liability	89,956	6,129
Other liability	16,017	75
Workmen's comp.	21,263	4,496
Surety	1,667	.....
Plate glass	4,920	312
Burglary & theft	7,530	51
Auto prop. damage	39,061	3,848
Auto collision	479,127	369,792
Other P. D. and coll.	283	.....
Other auto	244,269	106,176

Total ..... \$ 905,473 \$ 490,903

**Min. Farmers Mutual Cas.**—Assets, \$364,106; inc., \$13,722; unearned prem., \$99,192; loss res., \$8,256; liab. res., \$54,750; surplus, \$194,960; inc., \$44,159. Experience:

	Net Prems.	Losses Pd.
Auto fire & theft	\$ 42,478	\$ 16,049
Medical aid	1,019	.....
Auto liability	58,186	34,306
Auto prop. damage	26,532	9,564
Auto collision	57,516	35,182

Total ..... \$ 185,732 \$ 95,101

### U. S. F. & G. Volume Up 11.5%; Largest Premiums in History

United States Fidelity & Guaranty in 1942 made an increase in premium writings of 11.5 percent and its volume was the largest of any year in history. The total was \$43,711,272. The loss ratio was favorable and the expense ratio was less than in 1941 despite increased taxes. Assets amounted to \$75,755,346, as compared with \$68,786,885 the previous year. The capital is \$2,000,000 and surplus and undivided profits \$18,378,812, an increase of about \$1,100,000. Net earned income from underwriting was \$2,863,007. Cash amounted to \$10,741,391 while U. S. government and federal land bank bonds amounted to \$33,180,036.

**Mutual Creamery Liab., Minn.**—Assets, \$213,244; inc., \$16,516; unearned prem., \$39,374; liab. res., \$1,592; comp. res., \$38,173; surplus, \$110,998; inc., \$20,666. Experience:

	Net Prems.	Losses Pd.
Liability products	\$ 153	\$ .....
Other liability	2,286	126
Workmen's comp.	77,379	37,075
Occupational disease	453	.....
Burglary & theft	2,615	124
P. D. (not auto)	353	21

**Oregon Automobile**—Assets, \$660,231; inc., \$52,000; unearned prem., \$233,620; loss res., \$71,500; liab. res., \$55,000; capital, \$100,000; surplus, \$193,111; inc., \$10,388. Experience:

	Net Prems.	Losses Pd.
Accident, auto	\$ 6,008	\$ 1,674
Auto liability	189,096	76,086
Surety	419	.....
Auto fire	21,856	4,066
Theft, auto	17,784	2,496
Comprehensive	6,144	4,107
Cargo	5,890	1,526
Auto prop. damage	86,658	35,869
Auto collision	108,720	46,036
Misc. casualty	9,644	2,426
Fire	11,100	4,944

Total ..... \$ 460,323 \$ 179,235

**Pa. Threshermen & Farmers Mut. Cas.**—Assets, \$6,553,145; inc., \$631,774; unearned prem., \$1,014,312; loss res., \$177,971; liab. res., \$745,788; comp. res., \$2,546,466; surplus, \$1,531,303; inc., \$289,699. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 648,847	\$ 345,267
Other liability	105,881	7,516
Workmen's comp.	2,211,210	879,130
Auto prop. damage	302,447	189,014

Total ..... \$3,268,384 \$1,420,926

**Inter-Ocean Casualty**—Assets, \$1,056,729; inc., \$81,918; unearned prem., \$227,239; loss res., \$195,083; capital, \$200,000; surplus, \$325,846; inc., \$25,608. Experience:

	Net Prems.	Losses Pd.
Accident & health	\$1,966,127	\$ 828,944

**Kansas Bankers Surety**—Assets, \$668,724; inc., \$27,011; unearned prem., \$38,125; loss res., \$1,100; capital, \$318,250; surplus, \$219,861; inc., \$12,127. Experience:

	Net Prems.	Losses Pd.
Fidelity-Surety	\$ 85,909	\$ —585*

\*Recoveries exceeded losses.

**Min. Commercial Men's**—Assets, \$323,402; inc., \$12,413; unearned prem., \$3,192; loss res., \$17,100; surplus, \$301,474; inc., \$22,492. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 120,349	\$ 66,848
Health	166,473	113,331

Total ..... \$ 286,822 \$ 180,179

### Self-Insurance and O. D. Measures Up in Oregon

PORTLAND, ORE.—Two bills permitting self-insurance of compensation risks have been introduced in the Oregon senate. They are backed by the Eastern Oregon Yellow Pine Operators Association. The bills would set up a new administrative body which would set rates for the state fund and private insurers. Self insurers would be required to post a \$25,000 bond or cash.

A senate bill brings occupational diseases under the compensation act. It retains two provisions that were hotly contested in a similar bill at the last session, namely, the provision for appeal with jury trial from decisions of the commission, and the absence of a list of specific diseases.

The senate insurance committee has introduced a bill to amend the surplus line insurance act to legalize use of surplus markets when a majority of admitted companies refuse the offering rather than all.

A house bill standardizes the bankruptcy or insolvency defense provision in liability and surety policies so that special policies will not have to be printed in Oregon.

An Oregon house bill authorizes the insurance commissioner, after a hearing,

to revoke the license of a domestic company for doing business in another state or jurisdiction where it is not licensed. It includes in the definition of doing business, soliciting, and certain advertising practices, and is aimed at mail order operations.

### Haines, Robinson in Chicago

J. M. Haines, U. S. manager of London Guarantee and president of Phoenix Indemnity, and John R. Robinson, assistant U. S. manager and vice-president, have been visiting in Chicago this week. On Tuesday they were guests at a luncheon given by the Conkling, Price & Webb agency. A number of brokers were present.

Douglas Beach, who has been a broker associated with Conkling, Price & Webb for 40 years, was presented with a watch at the luncheon by L. W. Zonsius.

### Would Cover All N. Y. Workers

NEW YORK—A bill has been introduced in the New York legislature to include under workmen's compensation every person who is employed, abolishing excluded classes of employment such as office workers and domestic servants. While this would be a very drastic measure, it is not regarded by insurance men as being likely to pass.

## The OHIO CASUALTY INSURANCE COMPANY

Home Office · Hamilton, Ohio

CAPITAL \$1,200,000.00

SURPLUS \$2,476,709.43

ASSETS \$11,008,160.57

Full Coverage Automobile  
Special Automobile Accident  
Fidelity & Surety Bonds  
Plate Glass - Liability  
Compensation  
Burglary

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Columbus - Dallas - Denver - Detroit - Des Moines  
Harrisburg - Indianapolis - Los Angeles - Louisville  
Milwaukee - Oklahoma City - Peoria - Philadelphia  
Pittsburgh - Portland - San Francisco - Seattle  
Topeka



## Flagg Retires as Employers Re Head

(CONTINUED FROM PAGE 15)

expected that we would all go along together for years to come. But I am certain that to relinquish most of the work will assure many more years of my contact than if I continued as strenu-



J. B. ROBERTSON

ously as heretofore. I shall always belong to the Employers organization, and it is fine to feel that my action at this time will not interrupt its progress."

In anticipation of eventual retirement, several years ago Mr. Flagg acquired a large farm south of Baldwin, Kan., not far from Kansas City, and has been improving and stocking it. It will now occupy such part of his time as is not devoted to leisure.

### New President's Career

Mr. Robertson steps into the presidency after 21 years with Employers, having developed a thorough knowledge of casualty reinsurance underwriting and law. He has had a major part in the progress of the corporation and stands at the top in his profession. He completed his academic work, preparatory to studying law, at Kansas University, and completed his law course at Northwestern University in 1917. He is 51 and a lifelong Kansas Citian.

Mr. Flagg was brought into the staff of Employers in 1925 as the corporation was perfecting plans to withdraw from direct underwriting and devote its entire facilities to reinsurance. At that time, the major business of the Employers was direct, reinsurance being only a comparatively small volume. Mr. Flagg was chosen in part because of his outstanding success in a dual job of sales manager and underwriter. He was made manager of reinsurance operations, and gradually worked into other executive phases, eventually becoming president four years ago.

Mr. Robertson has been closely associated with Mr. Flagg for years, and has helped build the successful policies of Employers.

### Business Reaches Peak

Mr. Flagg is retiring at a time when Employers Reinsurance has reached a peak in assets, surplus to policyholders, and premium volume. All other officers were reelected at the annual meeting Tuesday and Vice-presidents F. P. Proper and J. W. Smith were elected directors. Taylor Abernathy, First National Bank, and J. H. DeCoursey, DeCoursey Creamery Co., were elected to two other vacancies on the board.

The wide contacts maintained by Mr. Flagg will be continued mainly by Vice-presidents J. W. Smith of the home office and D. St. C. Moorhead of the eastern department at New York, with

more of the Pacific Coast work falling to J. D. Macdonald of San Francisco. F. P. Proper, whose specialty is fidelity and surety, and E. G. Trimble, Jr., authority on accident and health matters, continue those lines and B. H. Henderson covers much of the mid-continent field from Chicago.

### Figures on 1942 Business

Assets of Employers Reinsurance reached \$22,462,546 at the end of 1942, compared with \$20,899,350 the preceding year. Written premiums totaled \$10,609,889, compared with \$9,565,384, and earned premiums stood at \$10,708,450, against \$8,222,523.

Net investment income declined owing to the reduced yield on high grade securities. Income from this source was \$439,874, against \$490,000 a year earlier and \$456,945 two years ago.

Cash was \$3,904,573 against \$3,709,347; bonds \$14,750,735 against \$12,996,282. On the basis of market for securities, assets would be \$534,189 higher. Reserve for taxes was \$717,559, compared with \$474,165 the preceding year.

Homer Carrington, insurance manager of the G. A. Willbern agency, Coffeyville, Kan., has resigned.

## Effort to Break Through Mo. Wall

(CONTINUED FROM PAGE 15)

Edwards' insanity, the court declared, rested upon Mrs. Edwards because on this theory of the case there could be no recovery unless it was further shown to be an insane suicide and, therefore, accidental.

### Cites Statute of 1879

B. M. A. further contended that the Missouri law invalidating an insane suicide exception in an accident policy is unconstitutional. In 1879 there was enacted a provision that it shall be no defense for an insurer that the insured committed suicide unless it shall be shown . . . that the insured contemplated suicide when he applied for the policy. B. M. A. contended the title to the bill of which this provision was a section failed to express the subject contained in the body of the bill and hence the subsequent revisions and amendments to the suicide statute were not valid. The supreme court, however, held that the title of the 1879 act was all right.

Also B. M. A. argued that the case

could not be submitted both on the theory of accidental death and of insane suicide, since one is the antithesis of the other. The court stated that there was evidence from which a jury could find that the death resulted from accident upon either of the two theories advanced by Mrs. Edwards. Very different inferences can be drawn from the evidence. The facts necessary to make out one theory of accidental death did not necessarily disprove or contradict the state of facts necessary to support the other theory.

Representing Mrs. Edwards were E. McD. Stevens of Clayton, Mo., and N. Murry Edwards of St. Louis, while B. M. A. was represented by Jones, Hocker, Gladney & Grand of St. Louis and Beach, Gordon & Beach of Kansas City.

G. P. Brack, 71, supervising inspector in Maryland Casualty's Baltimore office, died suddenly following a heart attack which he suffered after returning home to find his wife unconscious. Mrs. Brack died a few minutes after her husband. Mr. Brack had been with Maryland Casualty since 1920.

Grover L. Dunn, Arkansas City, Kan., local agent, is state senator from Cowley county.



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PLATE GLASS  
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PHONE

Mohawk 1100

## American Glass Company is in the Service, too

Every minute counts in these war-busy days. Every one of us has a bigger job to perform. Ours is to help protect business and materials vital to the war effort by rendering an even faster plate glass replacement service. Business and industry must go on uninterrupted.

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BUY AMERICAN



American Glass Company  
1030-42 NORTH BRANCH STREET · CHICAGO

## IN U. S. WAR SERVICE

(CONTINUED FROM PAGE 10)

Tex. Richard Tucker, broker, who left in January, 1941, was an ensign, saw action on the cruiser San Francisco in the south seas. He has been advanced to lieutenant. Lieutenant Tucker had his clothes shot off twice but received only a small shrapnel wound in the hand. He was in Chicago on furlough. John J. O'Malley, broker, is a second lieutenant in the army stationed at Camp Hahn, Calif. Paul Whitney, broker and son of Ross B. Whitney, adjuster, has advanced from second to first lieutenant in the army quartermaster corps stationed at Fort Clark, Tex. Phillip Horgan, manager surety department, is a master sergeant at Camp Barclay, Tex., in the signal corps. Marvin Zeedyk, assistant manager of the automobile department is in the navy radio training school at Northwestern University.

Walter B. Samet of Chicago, Cook county special agent of the Automobile and Standard of Hartford, has gone to Camp Beale, Cal., training in the army artillery. His father, Walter Samet, is Cook county manager of the companies.

James Greenshields, safety engineer for Indemnity of North America, has been given a warrant officer's rating in the navy SeaBees. He spent 4½ years with the British Army during the last war. He had applied for a warrant officer's rating, but was inducted in the army first and spent two months in tank training at Camp Chaffee. When his navy commission came through he was released by the army.

Earl Fries, formerly superintendent of Des Moines office of American Surety, is now in the army at Camp Roberts, Cal.

W. V. Hopkins, associated with his father in the Hopkins-Mulock agency in Des Moines, has been commissioned a lieutenant (j. g.) in the naval reserve and will take his training at Harvard.

George Maxwell, formerly with Home in Minneapolis, has been commissioned a lieutenant in the navy and is now stationed at Cornell University.

John B. Wornall, Jr., assistant treasurer of Employers Reinsurance, Kansas City, has been commissioned lieutenant in the navy. After training he will be assigned as an administrative officer at an air base.

Harry F. Albershardt of the Western Adjustment, former welder of the Ohio Blue Goose, has been promoted to captain and is now serving in the Pacific.

Milo Miller, former secretary of the Iowa Fire of Waterloo, has been promoted to major. He is stationed with the army air corps at Buffalo.

W. E. Reeder of the Underwriters Adjusting in Des Moines has been inducted into the army at Camp Dodge.

Gilbert Henry, insurance manager of the R. K. Stiles agency, former secretary of the Kansas City, Kan., agents association, has entered the army.

T. W. Fleassa of Kansas City, Kan., has disposed of his agency to Clifford A. Tozier and enlisted in the naval air corps.

Clay C. Carper of Eureka, Kan., has joined the navy and turned his agency over to A. E. Green.

Alan E. Boles, assistant secretary of General Reinsurance who enlisted in the Army last July, has been commissioned a second lieutenant in the Army air force after having completed his officers training. He was one of 10 honor men who graduated in the statistical control course at the Harvard Business School. He has been assigned to Fort Wright, Spokane, Wash. His father is E. H. Boles, president of General Reinsurance.

John R. Munson, Indiana state agent farm department of Home of New York,

is entering the service at Fort Harrison, near Indianapolis.

Twin sons of G. L. Heinz, state agent Springfield F. & M. for Indiana, are entering service this week. Thos. A. the ground air corps, and Robert P. the marines. The oldest son, Girard, Jr., is in the marine corps reserve at Indiana University.

R. L. Mannon, assistant chief underwriter of Fireman's Fund Indemnity and Occidental Indemnity at the head office has left for Dartmouth University naval officers training school for special instructions preparatory to receiving a commission. He is a native of Paris, France, was educated in Europe and is qualified for special overseas service.

William H. Hines, special agent of Travelers, in Los Angeles, now is in the army, having enlisted in the volunteer officers training corps.

The "New World," organ of the Chicago archdiocese, last week quoted letters from Lieut. William Moloney, son of George H. Moloney, vice-president Hartford Accident, and his cousin, Capt. George O'Brien, son of M. J. O'Brien, prominent Chicago insurance attorney. Both are with the army air corps in Africa and the letters gave interesting accounts of Christmas services. There was also a picture of Capt. O'Brien and Lieut. Moloney with some native soldiers. Mrs. O'Brien, who died recently, was a twin sister of Mrs. Moloney. The two families live close together in Wilmette.

John Burrige, son of Howard J. Burrige, vice-president and general manager of THE NATIONAL UNDERWRITER, is reporting at Fort Sheridan, Ill., Friday for active army service. A sophomore at the University of Chicago and a member of the army enlisted reserve, John Burrige served on THE NATIONAL UNDERWRITER reportorial staff last summer.

### New Michigan Bills

LANSING, MICH.—Two workmen's compensation act amendments have been introduced in the Michigan house, increasing maximum weekly benefits from \$18 to \$25 and permitting auxiliary firemen, organized for civilian defense, to come under the compensation act with the same benefits as volunteer firemen.

Another bill relaxes age restrictions on light delivery truck operators for the duration of the war to 16 instead of 18.

### Drop in Plane Plant Accidents

NEW YORK—Despite the hiring of thousands of new employees without previous experience in the aircraft industry, there has been a marked decrease in accident frequency among employees in manufacturing plants the past 12 months, compared with that of the preceding year, according to the Aeronautical Chamber of Commerce. This is attributed to the use of safety clothing by workers and to the accident prevention instructions posted conspicuously throughout the properties.

C. Ward Chase of Johnson & Higgins will speak at a joint meeting of the insurance and real estate committees of the New York Young Men's Board of Trade Feb. 3.

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## Employers Mutual Casualty Figures

Employers Mutual Casualty of Des Moines has issued its new financial statement as of Dec. 31, 1942, and as usual the increases are significant. The assets are \$2,802,147, being an increase of \$757,248. The premium reserve amounts to \$1,507,218; gain \$17,616. It sets up \$951,985 for liability losses, \$1,022,828 for workmen's compensation losses. It carries \$200,000 additional as contingency reserve. The surplus is \$1,285,252, increase \$385,252. Its premiums last year were \$4,373,190 and losses \$1,870,849.

The statement for this year shows the most successful year in its history. The premiums are up \$285,000. After providing for the new federal taxes there was added to surplus and contingency reserve \$385,252.

Employers Mutual is entirely an agency company. It does not write any direct business. It is represented now by over 2,000 agents most of them in the central west. It writes automobile, workmen's compensation, public liability and plate glass. Burglary, fidelity and surety are also written in Iowa at the present time and will be extended to other states as conditions permit. Branch offices are maintained in Chicago, Omaha, Minneapolis and Wichita.

The company has always prided itself on the liquid position of its investment portfolio. It carries a large cash balance and invests a considerable amount in federal and municipal bonds. It does not own any real estate except its home office building. The largest item in its premium income is workmen's compensation amounting to \$1,684,016. Next comes automobile liability with \$1,173,408.

J. W. Gunn is president and treasurer of the company, he being a son of the founder and long time president, John A. Gunn who started the company in 1911. John F. Hynes is vice-president and secretary and M. J. Wilkinson, superintendent of agents. The directors are substantial business men identified with leading enterprises in Iowa.

### Ill. Industrial Body Desires Changes in Law

The Illinois industrial commission will seek a number of changes in the law at this session, N. J. Bohling, securities supervisor, declared in addressing a luncheon meeting of the Casualty Underwriters Association of Chicago Wednesday.

Under the present O. D. law an employer who has filed an acceptance under it cannot rescind that action later and the commission will sponsor a bill to permit an employer to get out if he so desires. Many householders made such a filing in respect of their servants and there was no need for them to do so, but there is no way to change their status.

The commission is reviewing its files which number about 350,000. The files, he said, had not been checked since 1913 and many companies, unknowingly, are still on risks.

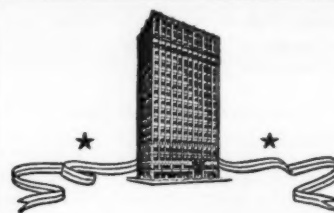
The commission will strive for better enforcement although it has only two investigators. He estimated that only 50 percent of the employers required to be under the act are insured.

Deposits of self insurers are now being placed in escrow.

Donald G. Weiser, Aetna Casualty, the president, was in the chair.

### Pilkington Assistant Secretary

James F. Pilkington, who has been an office supervisor of Travelers, has now been elected an assistant secretary. He has been with Travelers since graduating from Massachusetts Institute of Technology in 1927 and since 1934 has been in the department of office supervision.



### PLAN FOR 1943 . . .

Business is where you find it, and the chances are you'll find the kind of business you're pushing and looking for. So don't overlook Long Haul Trucking, Burglary, Plate Glass and all forms of miscellaneous Liability.



**Commercial Standard Insurance Company**  
TRINITY BUILDING FORT WORTH, TEXAS

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Place

ACCIDENT and HEALTH  
business with a specialist  
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For the most complete line  
of Accident and Health and  
Hospital Expense Policies  
on the market

write

**NATIONAL CASUALTY COMPANY**  
DETROIT, MICH. W. G. CURTIS, Pres.



## Lessons from Consumer Research

Aetna Casualty in its consumer research was able to learn a number of lessons. The work was done by Paul W. Stewart and associates, research and analyst specialists. Producers these days are looking for new markets or opportunities to fill the gap owing to a premium decline especially on account of automobile insurance shrinkage. It was brought out in the survey that only 2.6 percent of people interviewed carry residence liability insurance and yet it is one that would seem essential these days when the owner is held responsible very often for any kind of an accident occurring on his premises or on the sidewalk. Therefore it would seem that here is a line of least resistance if a salesman would make a careful canvass of prospects and they are numerous.

### Revelation as to Burglary

One of the surprising revelations of the survey was the small percentage of people that have burglary insurance, there being 2.6 percent of all interviewed. Some carry jewelry and fur floaters but the residence burglary is sadly put aside.

It is explained that the survey was made of people in the income groups above \$2,000 a year.

The Aetna Casualty learns from the survey that there is abundant potential

field today for the sale of comprehensive residence liability, burglary, extended coverage, inland marine, accident and health.

More people carried life and automobile insurance than any other kind and yet there was nothing to show that enough protection was purchased.

### Little Use of Surveys

The Aetna Casualty wanted to bring out from people interviewed those who had had their insurance needs analyzed by means of a survey. It was found that the surveys that were made were largely for life insurance and only 9.5 percent for other lines. The survey is a helpful instrument that can be applied to a man's insurance needs and what protection he has so that it can be made apparent to him where there are gaps and where there is a thin line of protection. The survey brings visibly before an assured his insurance picture and he makes a self analysis really of his protection. Most agents and certainly all those who are alert and service giving use some form of a survey blank. The life insurance people have gone far ahead in this particular. A life agent scientifically applies the survey rules to his client and the results are most interesting and often graphic.

## Roy Davis Is Featured at Rally in Detroit

(CONTINUED FROM PAGE 2)

activities demanded by the war effort. Many smaller industrial firms may have to close, and the effect will be felt down through wholesaler, jobber, salesman, retailer, thus affecting both business and insurance accounts. Many new clients can be found to take their places, however.

The alert agent will seek new contacts and accounts, business and personal; he will carefully review the insurance of his present clients, seeking to place additional coverages wherever required. He will create a volume of small coverages to replace the larger ones that go off his books.

In the postwar world, a new version of insurance will be needed to keep pace with the new industrial developments. Better service must be given, improved accident prevention, better claims methods. All of these services the business may have to perform at less cost. The rewards will be greater because greater potentialities will open up. Every agents' association should become interested in postwar planning in its own community.

Mr. Cary introduced H. B. Corell, acting insurance commissioner and G. W. Carter, Detroit Insurance Agency, first president of the association, who recalled that the organization had just 12 members during his term as president. Others at the speakers' table included Vice-president Fred Esper, Rohde agency; Treasurer C. G. Waldo, Bosquette & Co.; Executive Secretary Elmer Salzman; W. O. Hildebrand, executive secretary Michigan Association of Insurance Agents, and a group of past presidents including E. S. Karrer, H. W. Peacock, A. I. Dreifus, A. G. Crandall, H. L. Newnan, W. S. Halla, P. B. Bland, and W. A. Doyle. C. G. Oakman, city controller, brought the congratulations of the city government on the association's 25th anniversary.

With four vacancies to be filled on the directorate, results of the voting in the afternoon named D. T. Marantette, Detroit Insurance Agency; F. C. Esper and M. F. McCaffrey, Byrnes-McCaffrey, Inc., and tied for fourth place were Fred Graham, F. A. Ginsburg & Co., and P. J. Cooley, Cooper agency. The latter two will attend the next directors' meeting at which one will be named to the post.

## Sayer Reports at Annual Rally of N. Y. Board

NEW YORK—Although it is not represented on the advisory committee appointed by former Superintendent Pink to study the problem of interstate rating presumably because it is concerned with but one line and has jurisdiction in one state only, the New York Compensation Insurance Rating Board and competitive state funds have a vital interest in any solution sought for the problem, H. D. Sayer, general manager of the board, stated at its annual meeting. Any solution will be only partial and unstable if it fails to take into account the rights and legitimate interests of such state funds. Any action of the board that failed to accord equal rights and benefit to the state fund and to impose equal obligations would be improper and might be open to legal attack.

The compensation rating program submitted the board last year by the National Bureau of Casualty & Surety Underwriters for the stock companies is still being studied, he said.

He said 20 men and one woman of the board's staff are serving in the armed forces.

### New Md. Casualty Directors

BALTIMORE—Morton F. Bodfish, executive vice-president United States Savings & Loan League, Chicago, and Russell L. Snodgrass, vice-president in charge of finance, Baltimore & Ohio Railroad, have been elected directors of Maryland Casualty.

### Extend Filing Time in Canada

TORONTO—In view of present war conditions and the depletion in head office personnel, the time for filing of annual returns may be extended to May 1, according to a recommendation by the Canadian superintendents of insurance, Superintendent McNairn, secretary of the superintendents' association, reports.

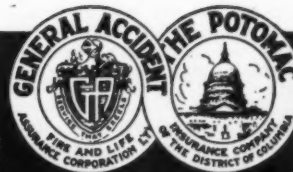
J. A. Munro of Royal-Liverpool foreign brokerage department who recently has supervised the war damage department of that group, has joined the army as major in the fiscal division, services of supply.

Stimulate your business by sending out the Insurance Buyers' Digest each month to your customers. It gets results. Write The National Underwriter for sample copy.



HOW  
MUCH LUCK  
IN A  
HORSESHOE?

MAYBE A LOT—but only for a horse! Adequate insurance protection is the modern answer to the practical needs of your assured. Agents and brokers interested in Casualty, Accident and Health, Fire and Marine contracts would do well to investigate the complete facilities of the General Accident and Potomac organizations.



AGENCY DEPARTMENT  
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GOING  
TO SUE  
ME"

THAT'S WHAT THEY ALL SAY  
WHEN TOLD ABOUT THE DANGERS OF THE SO-CALLED  
"DRAM SHOP" LAW

### NOTE THE RECORD OF SUITS

AGAINST OWNERS OF BUILDINGS IN WHICH LIQUOR IS  
SERVED, AND ALSO THE TAVERN KEEPER SINCE THIS DRASTIC  
LAW BECAME EFFECTIVE—YEAR 1934

### SUITS FILED IN THE STATE OF ILLINOIS

\$100,000 or Over	More than 50
50,000 or Over	More than 150
25,000 or Over	More than 175
10,000 or Over	More than 250
Less than \$10,000	More than 150

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## Economics Society Gives "Facts About Social Insurance"

A booklet, "Facts About Social Insurance," presenting a comprehensive review of the subject in question and answer form, has been issued by the Insurance Economics Society, 176 West Adams street, Chicago.

It starts out with the definition of compulsory social insurance, how government schemes are financed and their cost to wage earners; the meaning of health insurance, the difference between public assistance (charity) and insurance. It lists the various kinds of social insurance in the United States, including federal government, state, insurance companies, cooperative insurance, hospital associations, and medical associations.

It reviews the history of compulsory social insurance legislation in the United States, the provisions of the social security act and its administration and points out that one of the duties of the social security board is "studying and making recommendations as to the most effective methods of providing economic security through social insurance."

### Present Proposals Analyzed

It takes up the present proposals for compulsory health insurance, with quite a detailed analysis of the Elliot bill, its significance and its impact on the various classes of insurance. The question of the need and demand for compulsory health insurance is discussed.

It lists the mediums through which the American public is now insured against loss because of accident or sickness, including accident and health companies—stock, mutual, assessment, fraternal, etc.; life insurance companies—disability benefits; workmen's compensation—occupational accident disability; cooperative organizations—labor unions employ benefit associations, fraternal orders, etc.; service plans—"Blue Cross" plan for hospitalization and various medical care plans, and salary continuance plans (wages continued by employer for given period of time when disabled.) The extent to which each of these mediums has taken care of the needs of the American public is then reviewed under the various headings.

### Questions Asked and Answered

Other questions asked and answered are: Would a government scheme of compulsory health insurance cost the people less than similar insurance furnished through insurance companies and associations? Would compulsory health insurance improve the health of the American public? Would socialized medicine follow a scheme of compulsory federal health insurance? Would an increased social security tax help avoid inflation? Would a government scheme of compulsory health insurance affect business in general? Is government insurance as efficient as private insurance? Is this a good time to consider social insurance legislation?

The booklet lists the officers, executive committee and executive staff of the Economics Society and also the roster of state chairmen as of Dec. 1, covering 36 states. New states are being added constantly as the society's program is developed.

Another smaller folder outlines why the Economics Society was organized and what it is planning to do.

Miss Mary Rehan, attorney, will speak at a dinner meeting of the insurance women of New York Feb. 1 on "Types of Safety in War Plants."

Lt. Wm. L. Stephenson, who was killed in the crash of an army bomber near Topeka, was the son-in-law of W. T. Bisbee of Chicago, Cook county special agent of Glens Falls. Lt. and Mrs. Stephenson were married Oct. 10. Funeral services were held at Lexington, Ky.

## OBSERVATIONS

### British Health Plan

One of the main proposals set forth in the Brittish social insurance report of Sir William Beveridge is that of having the state take over the full administration of compulsory health and accident insurance under a consolidation of all social insurance.

The present national health insurance plan which has been in effect in Great Britain since 1912 is considerably more complicated than the social security setup in the U. S. Contributions are made by the purchase of special stamps at any postoffice which are affixed to the insured's contribution card by the employer. The money collected by the sale of stamps is paid into the National Health Insurance Fund. Medical benefits are handled by local insurance committees which set up panels of doctors, the insured being given the right to choose any doctor from the panel.

Cash benefits are administered by approved societies, a system which the Beveridge plan seeks to eliminate. These approved societies are independent, self-governing groups of insured operated on a non-profit basis. There are about 800 with memberships varying from 50 to more than 3,000,000, the total membership of all societies being 18,000,000. Some of the larger approved societies are divided into branches which are separate and autonomous financial units. The approved societies are of five main types: friendly societies, with and without branches, trade unions, industrial life offices and employers' provident funds. The friendly societies are mainly engaged in writing voluntary sickness insurance on a mutual basis, although many of them also write life insurance. Approved societies have control over their own funds and administration.

### Turn in Cards to Society

Insured members of each society turn in their stamped contribution cards every six months and the society is credited in the national fund with the contributions of its members. From its credits, plus the government's grant which represents about one-seventh of the total for men and one-fifth for women, each society obtains the necessary money to pay benefits and the cost of administration. If there is a surplus, half of it is turned over to the society for investment and half of it invested to the society's credit by national debt commissioners. There are also provisions for each society establishing a contingency fund as well as for a central guarantee fund in case a society exhausts contingency fund.

### Method of Handling Claims

A doctor's certificate must accompany claims for benefits. Contested claims are arbitrated according to the rules of the society with a final right of appeal to the minister of health who supervises the National Health Insurance Fund.

Maximum administration cost per member is limited. After periodic examinations, usually every five years, by government examiners, excess surplus funds are used to provide additional benefits for members. The Beveridge committee found this practice objectionable on the grounds that it is inequitable and reports that societies representing 90 percent of the total membership are in agreement.

Provision is also made for insureds who do not join an approved society but their benefits are limited by the amounts standing to their individual credit plus their share of the government subsidy.

### Workmen's Compensation

Casualty companies that have taken the workmen's compensation risks on big

munitions and defense plants have gathered in a large volume of premiums during the year but what profit there will be in the end remains to be seen. So far good money has been raised. Evidently the margin may not be very large at the end but the volume can be absorbed and will assist materially in reducing the expense ratio. The rapidity with which work is being done, the constant use of the machinery day and night and the employment of inexperienced help in many instances all have contributed to accident hazards.

The most troublesome feature confronting the companies is the lack of competent payroll auditors. Accountants are very difficult to get these days. Some of the companies even in the upper brackets have shied at these large risks. It is apparent that only a few are competent to take care of them and render adequate engineering, safety, medical, audit and claim service.

\* \* \*

### Contract Bonds

Companies writing surety business made money last year largely due to the large federal contract business. So far the losses have not been heavy. They may come later but at the present time the year will show a handsome profit. However, now federal contract business is at a standstill. About all the big work has been done and it is not likely that there will be any great developments in the future. There may be additions to canteenments and defense industries but the peak came in 1942. If the government goes into housing projects that will probably create a market for bonds. Surety executives, therefore, are studying the field to see what can be done to find new markets. All are pushing for fidelity bond business and owing to the peculiar conditions of the present with so much inexperienced help there is a splendid argument for fidelity bonds.

\* \* \*

### Automobile Premiums

Regardless of the fact that gas and tire rationing has had a very noticeable effect in automobile driving the premiums hold up remarkably well. Perhaps on the average it can be said that there will be a 25 percent shrinkage in automobile volume this year. The losses fall on those offices that write for the large part pleasure cars. Those that do a considerable truck business will find their premiums in that line maintained. The small truckers may be affected, but those of considerable size will go on just as before. The accident frequency has greatly diminished and accidents as a whole have decreased. Therefore in spite of the lower rates companies are making money. Before the rates were reduced they had a fine margin of profit because tire rationing had had an effect

## Office Confinement of Agents Has Depressing Effect

Many leaders in the business are much distressed by the fact that due to gasoline rationing local agents are not getting out in the highways and byways and seeing the customers. By and large it might be said that agents are confining their outdoors work to specific missions of an important nature, where some definite problem has arisen and where their personal presence is necessary. In normal times, the active agent who is out on the streets, seeing people and is in circulation hears of new business possibilities in an offhand, casual and natural way and can bring up the subject of additional insurance with customers during the course of a more or less routine service call. Now, however, agents are deprived of those opportunities. Many of them try to conduct their business over the telephone or by mail, even including collection of accounts. They are not able to be nearly as creative in their selling activities in the vacuum of their offices as they are when they are out and about.

There is a fear that the cumulative effect of this increased office confinement of agents will be very depressing. Company production departments are conscious of the problem and it is likely that agents will be exhorted to use the direct mail approach this year as a substitute for leg work. Also, field men and others who have a broad view of agency operations have an opportunity to advise individual agents how to get the most out of their gasoline by passing along information on how various agents are coping with the problem. Agents not only are confined to their offices because of lack of gasoline but also very often because of the lack of office help. Many agents are compelled to handle a good many clerical details themselves and this, of course, is time consuming and uncreative.

on driving. It was very apparent during this period that rates must come down in justice to the public. It is thought that most people will keep their automobiles going even under strict rationing. In that case they will be prospects. The automobile business has been such a factor in premium income that any deleterious influence is felt.

W. R. Kirk, superintendent of agencies of North British, Chicago, has been in Kansas conferring with State Agent W. E. Stewart of Wichita, who is expecting his call to report to the army shortly.

J. L. Thompson, assistant manager of the Kentucky Actuarial Bureau, has been elected president of the Engineers & Architects Club of Louisville.

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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Fire Prevention Men Await Invitation to Meet State Authorities

The committee appointed by the Illinois Fire Prevention Association consisting of two of its officers, officers of the Illinois Fire Underwriters Association, Illinois Field Club and the Mutual Fire Prevention Bureau is awaiting a call to Springfield, Ill., to discuss with the state authorities and especially the Facilities Security Division of the state council of defense the part the fire prevention association will take in the inspection of risks not allocated to the Navy and Army for inspection.

A form of inspection blank will be submitted by the fire prevention people and there may be some changes in it. Some are inclined to think that there will have to be a different form for grain elevators and mills but that remains to be seen. Eugene Arms, manager of the Mutual Fire Prevention Bureau, attended the Illinois Fire Prevention Association meeting at Peoria last week and on behalf of the mutual companies operating in Illinois agreed to cooperate. It is learned that about 60 percent of the mills and elevators in the state are insured in mutuals. The Hartford Fire has about 30 percent owing to the aggressiveness of its mill and elevator department. Hence it is supposed that the mutual field men and Hartford Fire field men and inspectors will be assigned the work of inspecting the mills, elevators and seed houses.

The fire prevention association people inspected Peoria Wednesday and Thursday. However, the schools were closed on account of the severe winter weather and these properties were not inspected. They will be taken care of later on.

### New Ia. Membership Plan; Committees Are Announced

DES MOINES—A new membership plan is being set up by the executive committee of the Iowa Association of Insurance Agents. The state is divided into six districts, with the regional vice-presidents and other officers in charge of each region. Plans for the membership drive were formulated at an executive committee meeting at Atlantic, Ia.

Leon Morse of Council Bluffs, chairman of the executive committee and past president, and Dick Bell of Atlantic, regional vice-president, were placed in charge of region 1; Clarence Friday, Osceola, executive vice-president, region 2; Howard Burleson, Cedar Rapids, regional vice-president, region 3; John Boeye, Webster City, regional vice-president, region 4; Robert Andrews, Sioux City, state president, region 5, and Phil Jester, Des Moines, regional vice-president, region 6.

### Waive Service Men's Dues

The executive committee waived the dues of members in service and created a new membership classification to cover them. Such members will continue to be certified as members in the National association. The waiver is to apply only to agencies where one or more of the owners enter service. The committee also agreed to continue the educational courses in the larger centers, but due to the transportation problem no special effort will be made at the present time to start county classes.

It was felt that there should be a revision of the constitution and by-laws and R. W. Forshay of Anita, past president of the National association was named as chairman of a committee to carry out the work of making the state

association's constitution conform with the National association's.

Mr. Forshay was also named alternate to B. C. Hopkins of Des Moines, state director, to attend the mid-year meeting at Tulsa. The executive committee decided to make no attempt to secure any new legislation at the present session.

### New Committees Appointed

President Robert S. Andrews, Sioux City, has announced the new committees of the Iowa Association of Insurance Agents. Chairmen are: Accident prevention, Harry M. Brown, Mason City; fire prevention, Hugh Blackwell, Council Bluffs, P. E. Taylor, Des Moines, vice-chairman; membership, Paul Newton, Council Bluffs, A. R. Melrose, Charles City, vice-chairman; educational, Paul C. Howe, Sioux City, Robert Brown, Waterloo, vice-chairman; local boards, Ivan Anton, Des Moines, Sam Stoltz, Ottumwa, vice-chairman; rural agents, Art Dinwiddle, Bedford; legislative, H. C. Burleson, Cedar Rapids.

### Iowa Solons Name Chairmen

DES MOINES—Sen. George Faul, Des Moines, vice-president American Mutual Life, has been named chairman of the Iowa senate insurance committee. Rep. Jay Colburn, Harlan, whose father was active in mutual insurance work, is chairman of the house insurance committee.

Senator Berg will introduce a bill in the Iowa legislature to set up a \$500,000 state insurance fund to replace or repair state buildings lost by fire. Buildings on the state fairgrounds have been insured but other buildings have not been covered since it is the policy of the state not to carry insurance. The legislative interim committee has recommended setting up a state insurance fund.

An automobile financial responsibility bill has been introduced in the house requiring persons to show proof of ability to pay a judgment within 15 days after it is rendered.

Senator Faul has introduced a measure increasing the maximum investment by insurance companies, other than life, in corporate bonds and stocks from 20 to 40 percent.

A senate bill requires radio salesmen and announcers of insurance advertising to obtain agent's license from the insurance commissioner.

A senate bill would make possible the return of credits or refunds to the policyholders of hail associations before the end of the year.

### Plan Army Inspection School

Bruce R. Howard of Toledo, state agent of the Firemen's group, has been named chairman of a committee which will arrange for a school of instruction under supervision of the Fifth Army Service Command for inspection of warehouses, plants and other properties for fire prevention, sabotage and personnel surveillance. Members of the Toledo Association of Insurance Agents have been asked to volunteer for this work. Committee members, after completing the school course, will inspect plants and other buildings in this area now under the supervision of army and navy personnel.

### Peacock to Address Women

George Peacock, state agent of Agricultural, will speak on the relation of the fire insurance business to the public under present conditions, at the monthly meeting of the Insurance Women's Club of Milwaukee, Feb. 1.

The Women's Club is starting a new

series of Friday night educational meetings in the rooms of the Milwaukee Board. The next eight-week course will be devoted to agency management to be conducted by Grover Miller, Racine, chairman of the executive committee and the educational committee of the Wisconsin Association of Insurance Agents. The course on inland marine insurance just completed was conducted by J. L. Ashton of the Fish & Schulkamp agency, Madison. The educational program of the club is in charge of Hilda Rogers of Dick & Reutemann.

### Counter Merger Bill in Mich.

LANISING, MICH.—An encouraging sign to opponents of Governor Kelly's proposals that the insurance department be merged with five other state agencies was the introduction of a bill by Senator McCallum to consolidate the finance company division of the treasurer's office with the banking department. These are two of the divisions which the governor had suggested be included in the general consolidation.

It is believed that legislators are endeavoring to forestall the administration program by offering their own merger proposals on a smaller but apparently more logical scale.

### Cincinnati Equitable Moves

Cincinnati Equitable is moving its offices from the ground floor of the Dixie Terminal building in Cincinnati to larger quarters on the second floor. It occupied its present quarters when celebrating its 100th anniversary in 1926. It is the oldest fire insurance company west of the Alleghenies and the oldest Ohio fire company. It operates on the potential plan such as that used by the Philadelphia Contributionship. The company has more business at risk than ever before in its history. Albert C. Hawes, secretary-treasurer, has managed the company for many years.

### W. A. Sells Omaha President

OMAHA—The Omaha Association of Insurance Agents at its annual meeting elected W. A. Sells, as president; Alfred S. Mayer, vice-president; and Horace M. Higgins, treasurer.

Mr. Sells succeeds Richard W. Walker who becomes chairman. The directors elected are Joseph Barker, Jr., E. R. Heflin, and Paul House. Arthur B. Dunbar continues on the directorate as his term of office did not expire this year. The board re-appointed Thomas A. Bryan, secretary.

### New Nebraska License Plan

LINCOLN, NEB.—Following a policy inaugurated two years ago Insurance Director Fraizer is mailing out to all applicants for agents' license, renewable in May, a new questionnaire which they are required to fill out. Next year these will not be required, licenses being issued on the requisition of employer companies.

The new questions added include an inquiry as to occupations other than insurance and names and addresses of employers, if not self employed.

### State Farm Gathering

ST. PAUL—Minnesota agents of State Farm Mutual companies held their annual winter conference here. The home office was represented by Adlai H. Rust, executive vice-president, and Fletcher B. Coleman, vice-president in charge of claims for State Farm Mutual. P. J. Slettedahl, editor of "Northwest Insurance," was the principal banquet speaker.

### Weltmer Advanced in Jones Office

Henry J. Weltmer, Jr., former local agent at Hiawatha, Kans., who was especially active in the affairs of the Kansas Association of Insurance Agents as gen-

eral chairman of the insurance school committee, has been named assistant manager of the fire and marine department of R. B. Jones & Sons, Kansas City. He joined the agency early last year. He replaces C. K. Ulery, who has been named assistant to R. L. Stewart, vice-president.

### Hold Question & Answer Session

The Kansas City (Kan.) Association of Insurance Agents held a "questions and answers" luncheon meeting covering their insurance school, war damage insurance, victory tax, collections, etc. Secretary Clarence Lind announced that 20 member agencies had written 532 war damage policies to date.

Edwin S. Nellis, Topeka, president of the Kansas association, will speak at the February meeting.

### Arranges to Insure Turkeys

ST. PAUL—Farm Owners Mutual has completed arrangements with the National Turkey Federation for insuring this year's turkey crop. The arrangement is not on a cooperative basis as first proposed. A flat rate of 5 cents a bird will be charged. Liability excludes theft or loss from predatory animals, starts at 50 cents a bird and gradually increases to \$2.50.

### Topeka Women Hear Nellis

E. S. Nellis, president of the Kansas Association of Insurance Agents, spoke at the January dinner meeting of the Topeka Association of Insurance Women, outlining the advantages of belonging to business associations. The Topeka women have completed their study course on inland marine and have taken up the burglary insurance course.

### "Ad" Man to Speak

MINNEAPOLIS—Merrill Hutchinson, McCann-Erickson Advertising Agency, will speak on "Salesmanship in 1943" at the annual mid-winter sales conference here Jan. 25-26 of Hardware Mutual and Hardware Indemnity.

### Have "B" or "C" Cards

Almost all the local agents and field men in Illinois have gotten B ration cards for gasoline and some have secured C cards. Just what card one secures is up to the local rationing board. Some boards are very liberal and will allow an extra amount regardless of the card for specific purposes if the board deems it justifiable.

### Barnum Heads K.C. Patrol

Raynolds Barnum of the Mann, Barnum, Kerdolff & Welsh agency has been elected president of the Underwriters Fire Patrol at Kansas City. Other officers are Cliff C. Jones, James B. Wallace and Bennett W. McCluer, vice-presidents; Fred V. Griffith, treasurer, and B. J. Fradenburg, secretary.

### Suspend Lucas County Meetings

TOLEDO, O.—The Lucas County Insurance Board has decided to discontinue its regular monthly meetings because of transportation difficulties and unusually heavy war duties, but will have meetings on call of the president from time to time.

### \$200,000 Kansas City Fire Loss

Fire did \$200,000 damage to the adjoining buildings of the Osgood Coffee Co. and the Arco Automotive parts Co. in downtown Kansas City. About seven carloads of coffee were destroyed.

### New Leavenworth Secretary

Wayne W. Fluaharty of the Reyburn agency has been named secretary-treasurer of the Leavenworth (Kan.) Insur-

ance Board to succeed G. F. Bernhardt, manager of the Leavenworth Trust State Bank agency, veteran secretary, who has gone into service.

#### Keller Topeka President

Erwin Keller of the Hussey agency has been elected president of the Topeka Insurers, taking the place of Webb Woodward who has entered the army. E. J. Camp of the Camp agency is vice-president and George Staebler was reelected secretary.

#### May Seek to License Adjusters

ST. PAUL—Insurance adjusters, who at present are not supervised by any state authority in Minnesota, face the possibility of legislation at this session that will place them under the control of the insurance department. The suggestion comes from legislators identified with some of the farm companies.

#### Fort Wayne Directors Renamed

Walter Lupke, Raymond Hawver and Kenneth Beard have been reelected directors of the Fort Wayne (Ind.) Association of Insurance Agents, which adopted a resolution pledging assistance to members in the armed forces to retain their business.

#### Kent Heads Western Mutual

J. Dolliver Kent, formerly chairman of Western Mutual Fire of Des Moines, was named president at the annual meeting, succeeding Charles S. Vance. F. E. Yoast was named assistant to the president.

#### Priorities Discussed by WPB Man

ST. PAUL—Priorities as they affect fire losses were explained by H. J. Finney, War Production Board, before the Fire Insurance Adjusters Club of Minnesota here. The annual meeting will be in February.

#### Complete Southern Minn. Course

OWATONNA, MINN.—John McHale, New York Underwriters, and S. W. deWaard, National Liberty, gave the lectures Jan. 27 completing the educational course begun last year by the Southern Minnesota Agents Regional Association. They spoke on the history of insurance and types of companies. The meeting was at Owatonna.

#### NEWS BRIEFS

The Sioux City Insurance Women are starting the third course of the educational program, the fire course, Jan. 28. The Iowa Fire Underwriters Association is providing the discussion leaders for both the women's and the men's group, which meet on the same day.

A. H. Kleffman, former secretary of the Minnesota compensation insurance board, has opened a local agency at Hibbing, Minn.

M. W. Swanton, who has been adjuster of the Thomas G. Linnell general agency in Minneapolis, has resigned to enter a war plant.

George K. Belden of the Fred L. Gray Co. and Alex Dean of the David agency were leaders in a war production campaign staged in Minneapolis this week to conserve manpower.

The Akron, O., city council has adopted the model fire prevention ordinance of the National Board.

The Grosser Insurance Agency, Salina, Kan., which has been operated by W. F. Grosser, Jr., for some months since the death of his father, has been purchased by George Kaufman.

Allan A. Tukey, Omaha local agent, was reelected chairman of the board of the Metropolitan Utilities district.

D. T. Marantette of the Detroit Insurance Agency, past president of the Detroit Association of Insurance Agents, is the father of a son, Thomas Louis.

At the January meeting of the Insurance Women of Lincoln Dr. K. H.

## EAST

### Preston Heads Associated Agents & Brokers Group

BOSTON — Associated Insurance Agents & Brokers, Inc., at its annual



HARVEY R. PRESTON

meeting elected the following officers: President, Harvey R. Preston, Springfield; vice-president, Arthur D. Cronin,

### Civil Service Is Seeking More Plant Inspectors

The U. S. Civil Service Commission is continuing to accept applications for positions of inspector in the production protective service of the war department. The positions are extremely important to the war effort since some 6,500 major factories engaged in war work are concerned. Salaries range from \$2,600 to \$5,600 a year, but the commission is particularly interested in junior and senior inspectors at \$2,600 to \$3,800 a year.

#### Duties of Inspectors

Inspectors recommend changes to prevent interruptions or delays in production and delivery of war material caused by major accidents, explosion and other manufacturing hazards.

There is no written test given, and applicants are rated on education, experience and personal qualifications. The requirements are general experience in performing inspection and professional engineering advisory services for manufacturers, as inspector in property insurance rating bureaus, as plant protection supervisors, master mechanics in large industrial establishments, or as professional engineers specializing in plant protection work. Information and applications may be obtained at any first or second class postoffice or from the civil service commission in Washington.

### Fire Waste Contest

The U. S. Chamber of Commerce and National Fire Waste Council have inaugurated the 20th National Fire Waste Contest for fire safety accomplishments by cities and communities.

Some 550 cities, through chambers of commerce and fire prevention committees, participate in the contest. Their efforts, now of war-time urgency, have been an outstanding contribution in preventing and controlling the toll of property destruction and lives.

Thompson, a graduate student at the University of Nebraska and a former college dean in India, spoke. The association voted to take up the regular study course of the National association.

Boston; clerk, Louis Hoffman, Boston, and treasurer, Alfred N. Miner, Boston. Herbert A. Kneeland was reelected chairman of the executive committee.

### James Davis Highly Honored

James Davis, secretary of the Boston Board, was signally honored at a luncheon attended by company officials, general agents and past presidents of the board in recognition of his 50 years of service with the board. The toastmaster was Frank A. Dewick of Dewick & Flanders, the oldest living past president. Herbert G. Fairfield, past president, gave some reminiscences and presented to Mr. Davis a pound of butter, a pound of sugar and a pound of coffee. Others who spoke were Commissioner Harrington, W. R. Hedge, president of Boston and Old Colony; James F. Crafts, eastern vice-president of Fireman's Fund, and these past presidents—James H. Carney, John H. Eddy, R. S. Hoffman, W. C. Hill and Robert A. Sullivan. In the absence of President Charles L. Powers, who was ill, Vice-President F. T. Powle presented Mr. Davis a check.

### New N. H. Committee Named

ROCHESTER, N. H.—President Kenneth R. Kendall of the New Hampshire Association of Insurance Agents has appointed his committees: Chairmen are: Agents' qualifications, Robert N. Davis, North Conway; automobile, George E. Clark, Lisbon; Business Development, C. J. McKee, Concord; compensation, V. J. McPherson, Claremont; conference, Mr. Kendall; education, Margaret S. Blodgett, Manchester; fire and accident prevention, H. C. Lovejoy,

Conway; legislative, C. J. McKee, Concord; membership, L. B. Dowd, Nashua; public relations, Mr. McPherson; rural agents, A. W. Frost, Franklin; war damage and special defense, F. D. Gardner, Portsmouth.

### Scott Aids Syracuse Move

A large number of agents from Syracuse and central New York and girls from their offices gathered in Syracuse for dinner, followed by a meeting at which the new fire insurance policy to be adopted in New York State July 1 was discussed. George W. Scott, educational director of the National Association of Insurance Agents, explained the national educational program and helped start an educational course, sponsored by the Insurance Women's Association of Syracuse.

### Position is Temporary

E. L. Norris, secretary Beckley Insurance Agency, Beckley, W. Va., who has been appointed secretary of the West Virginia Association of Insurance Agents to succeed Hubert S. Ellis of Huntington who was elected to Congress, states that his taking the position will be temporary lasting until the next annual meeting. He has been secretary of his agency for the last six years.

### Propose Nonassessable Change

BOSTON—A bill has been introduced in the Massachusetts legislature seeking to raise from \$200,000 to \$500,000, the non-assessable deposit required of mutual companies which write non-assessable policies, a privilege which was voted

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the agency mutual fire companies at the last legislature. The authorship of the bill is obscure.

### Spottko Speaks in Newark

NEWARK—At a dinner meeting of the Essex County Insurance Agents Association, A. E. Spottko, manager of the automobile department of the National Bureau of Casualty & Surety Underwriters, spoke on "Present Automobile Insurance Situation." Arthur E. Marsters of Bloomfield and Charles J. O'Connor were elected to the executive committee.

### Philadelphia Banquet March 8

The annual banquet of the Insurance Society of Philadelphia will be held March 8. Percy G. Buck, assistant secretary Franklin Fire Insurance Co., is chairman. Ernest E. Lindner and George W. Ruhl, Indemnity of North America, and Newton B. Meade, Buckley & Meade, are vice-chairmen.

### H. L. Brooks Tulsa Delegate

NEWARK—Herbert L. Brooks, vice-president of the Joseph M. Byrne Co.,

former president of the Essex County Insurance Agents Association, has been named by the New Jersey Association of Insurance Agents as its delegate to the mid-year meeting of the National association in Tulsa, Okla.

### Lamoureux Manchester Head

David A. Lamoureux has been elected president of the Manchester (N. H.) Fire & Casualty Association. First vice-president is Joseph Scott; second vice-president, Frederick Burns; third, John Nelson; secretary, Arthur Card.

### Urges Adopting Uniform Law

Adoption of the uniform state law on unauthorized insurance was recommended to the legislature by Commissioner Perkins of Maine.

The Insurance Women of Pittsburgh will conduct an educational course on insurance practices and procedure for members, consisting of 10 meetings of two hours each, once a week, beginning in February. Ensign Josephine Campbell of the WAVES spoke at the January meeting.

## Bank Official



WALTER LAMBETH

Walter Lambeth, who heads the insurance department of the American Trust Co. at Charlotte, N. C., and who has been general agent of United States Casualty 32 years, now is a vice-president of the bank, in which he has taken an active part for many years. Mr. Lambeth, however, will continue to supervise the insurance business of the trust company.

not engaged in interstate commerce and thus should be exempt from the provisions of the act. Mr. McNew is president of the Arkansas association. He said that he had been abiding by the provisions of the wage and hour law but he had not been keeping time cards and other necessary records.

The committees approved the final draft of a counter-signature bill, which is to be introduced in the legislature. Non-resident brokers would be licensed on a reciprocal basis. No specific division of commission is required except on a reciprocal basis. For example, if another state provides that Arkansas agents doing business there must pay 50 percent of his commission, then agents from that state doing business in Arkansas must surrender half of their commission.

The bill requires that contracts of insurance must be signed by a local resident agent.

### Large Water Damage Loss to Memphis Store

Fire did \$190,000 damage to the stock of the Goldsmith department store at Memphis and around \$120,000 damage to the building and furniture and fixtures. The latter consisted of \$65,000 to \$75,000 on building, \$50,000 to \$65,000 on fixtures. The loss was rather unusual in that the fire itself was confined to the eighth floor and did not do more than \$10,000 damage. The principal damage to stock, building and fixtures was caused by water from sprinklers and the fire department.

Insurance carried was under two schedules, that on stock totaling \$645,000 specific with a provisional reporting coverage, with a limit of liability of \$742,500, and that on building and store furniture and fixtures totaling \$1,159,000. There was \$1,600,000 use and occupancy with an estimated loss of \$100,000.

The fire originated on the eighth and top floor, burning out approximately 50 squares of roof area. The water from the sprinkler system and the fire department completely flooded the entire center section of the store room from the top floor to the basement. The cause of the fire has not yet been determined. All of the sprinkler heads on the eighth

## IN THE SOUTHERN STATES

### Withdraw Hot Bills in Tenn.

NASHVILLE—With no further explanation than that "they are too controversial," Commissioner McCormack has caused Bills Nos. 65 and 67, sponsored by his department, to be withdrawn in the senate. These bills were strenuously opposed by the direct writing mutuals, they contending the effect would have been to require payment of commission to local agents. The measures had been recommended out by committees of both houses. Liberty Mutual, American Mutual Liability and Employers Mutual Liability were particularly active in opposition. A. V. Gruhn, manager of the American Mutual Alliance, was on hand to direct the battle.

Leaders of the Tennessee Association of Insurance Agents are resentful of what has occurred. They feel the mutual companies exaggerated the probable consequences of the measures and got some of their large assured unduly excited. The bills were drawn up by Mr. McCormack and were endorsed by the association's committee.

One of the bills was an amendment to an old law requiring payment of the "full commission" to a local agent. The amendment would have defined what is meant by "full commission," since that has always been an ambiguous reference. The direct writing mutuals charged that this would compel them to withdraw from the state.

### Tenn. Dwelling Schedule Revamped

NASHVILLE—A revamped dwelling schedule has now become effective in Tennessee. There are now two schedules, known as A and B, in effect instead of one as heretofore. Schedule A applies to dwellings in cities and towns of first to fourth class inclusive and the bureau will continue specifically to publish estimates for such dwellings as in the past.

Schedule B applies to towns of fifth to tenth class. In towns five to eight there is now a flat estimate with agents to apply, when in order, dwelling to dwelling exposure charges. Dwellings in classes 9-10 continue to be flat rated without exposure charges. It is esti-

mated that the over-all reduction in rates will be about 10 percent.

Tennessee is the only state in the western field in which the bureau has continued to handle the specific rating of dwellings. It is an expensive undertaking. There will be some extra work involved for agents in towns 5-8 under the new setup but the charges can be easily determined from a table that is provided.

A survey of the insurable condition of all suburban and small town dwelling property by the Tennessee Inspection Bureau, according to Manager John H. Norton, will be completed in about three months, and as a result of this survey cuts in premium rates ranging from 1 cent to 14 cents have already been made (effective Jan. 11), representing total premium reductions of \$400,000. The last such survey was made in 1939. When completed the survey will have covered more than 400,000 private, non-farm dwellings.

"The state fire marshal's office, under Insurance Commissioner McCormack, in connection with fire prevention education and investigation of arson along with local fire departments throughout the state have played an important part in bringing about the general premium reduction," Mr. Norton stated. "Other factors were new simplified methods of estimate and a general easing of exposure due to alert fire prevention experience."

Bills have been introduced in both houses to amend the guest rider law to relieve drivers or owners of cars of liability for injury to guest passengers, except in cases of gross or willful negligence. The bill would apply only to guests who had paid no fare or shared in none of the expenses of the car, and apparently is not designed to offer relief to motorists hauling extra people under share-the-ride agreements. A similar measure failed to pass in 1941.

### May Appeal Wage and Hour Ruling in Arkansas; O. K. Countersignature Bill

LITTLE ROCK, ARK.—The recent ruling by the wage and hours department holding that the R. S. McNew, Jr., Agency of Pine Bluff, Ark., was under the act and directing it to pay \$1,800, may be contested, Henry A. Ritgerod, manager Arkansas Association of Insurance Agents, stated following a meeting of executive and legislative committees. It was held that local agencies are

WAR DAMAGE  
INSURANCE  
MUST  
BE SOLD

... and Insurance Agents  
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accepted the obligation  
willingly. We must dis-  
charge it successfully.

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CAMDEN, NEW JERSEY

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capital stock company  
with young ideas!

"A COMPANY IS KNOWN  
BY THE AGENTS  
IT KEEPS"

story were put into operation, and in addition it was necessary that the fire department use several lines of hose to bring the fire under control.

While excellent work was done by the Memphis Fire Patrol in covering practically all stock on the first five floors of the building, some stock was wet before the patrol could cover a stock of this size. Water damage to the stock on seventh and eighth floors, which were used as stock rooms, was very extensive, and other stock throughout the center portion of the main building, including the basement, was damaged by water to an appreciable extent. The insured's stock was somewhat low, possibly due to the war scarcity of civilian goods.

The roof structure covering the damaged area was replaced on the day of the fire since it was raining in Memphis at the time.

The Fire Companies Adjustment Bureau handled the building loss and all of the stock except \$250,000 line. The latter plus the U. & O. is being handled by Frank L. Erion, Chicago.

### Trustee Appointed to Prosecute Suit Against Insurance Companies

The United States district court, western district of Louisiana, Lake Charles division, had a case before it, Hart, trustee of H. & P. Department Store vs. Mechanics & Traders, British America, North British & Mercantile. The actions were brought upon policies issued to the department store covering merchandise in a building which was destroyed by fire. The store appointed a trustee to prosecute the suit and stand in judgment. The department store also appeared as a party plaintiff for the purpose of aiding its trustee.

### Trust Was Abortive

The court held that even if the trust was invalid as claimed by the companies, since the store was made a party to the suit, the consequences would be that the attempted formation of a trust was abortive and without legal effect so that the title to the property and assets would remain in the department store. Therefore, the petitions could not be dismissed for failure to state claims upon which relief could be granted.

The insurance companies claimed that the actions were premature because the assured refused to submit to examination according to provisions of the policies without being permitted to have a stenographer of its own appear and take the testimony, along with one used by the companies. The higher court held that the companies might still avail themselves of the provisions of their policies, but that there was no substantial reason why the insured should not have a copy thereof.

### Ferrell Named Manager of Cotton Association

The Cotton Insurance Association, Atlanta, has appointed George C. Ferrell as manager, succeeding the late E. B. Proctor. R. B. Berkeley has been named deputy manager and John S. Hudgens continues as assistant manager. Messrs.

Ferrell, Berkeley and Hudgens have long been with the association and are well known in insurance and cotton circles.

### Tex. Mutual Agents Organize

DALLAS—Lee E. Davis of Dallas was elected president, and G. N. Ware of Dallas was elected secretary of the newly formed Texas Association of Mutual Fire & Casualty Insurance Agents at a meeting here. The meeting originated through the sponsorship of the Texas "1752" Club, which was presided over by E. P. Goetzinger, president, who assisted in the introduction of J. Clyde McGee of Jackson, Miss., chairman of the membership committee of the National Association of Mutual Insurance Agents.

Herman Hampton of Houston, and Dick Long of Wichita Falls, were elected as vice-presidents and the directors named are: Tom Bullington, Fort Worth; Harry Kinney, Houston; R. D. Spencer, San Antonio; and Clark Wood, Lubbock. The membership voted to affiliate themselves with the National association.

The next meeting will be held in Fort Worth in July.

### Henry Speaks in San Antonio

SAN ANTONIO, TEX.—George J. Henry, San Antonio special agent Royal-Liverpool group, discussed rent and rental use insurance before the San Antonio Insurance Exchange.

Mr. Henry pointed to the difficulty in restoring buildings damaged by fire or storms at the present time, which emphasizes the importance of rent coverage.

In answer to questions on garage and furniture coverage, Mr. Henry replied that the premium on such policies written as distinct from the building coverage would be too small to justify writing separate policies to cover the loss of use.

### Mill Loss Near Spartanburg

SPARTANBURG, S. C.—Fire in the Pelham Mills' plant and several warehouses did damage approximating \$400,000. The plant, stripped of machinery and inactive several years, and the warehouses were located at Greer, near Spartanburg.

Much of the loss resulted from several hundred bales of cotton stored on the premises. Some were government-owned or controlled. The Greer Oil Mill lost 750 bales valued at \$80,000. Also destroyed were several hundred bales of reclaimed women's hosiery.

### Mabel Barwick Reelected

FORT LAUDERDALE, FLA.—At the annual meeting of the Broward County Insurers Association Mabel Barwick was reelected president; A. W. Putnam, vice-president, and E. M. Mattis, secretary-treasurer.

### View Qualification Bill

COLUMBIA, S. C.—The agents' qualification bill which is to be introduced in the South Carolina legislature was discussed at the meeting of the Columbia Association of Insurance Agents. C. P. Davis, Sr., J. Henry Fair, C. D. Arthur, D. G. Ellison, Jr., and M. A. Park were named executive committeemen.

### Undecided on Florida Parley

TAMPA, FLA.—The Florida Association of Insurance Agents has not reached a decision on whether or not a convention will be held in 1943, according to Secretary A. C. Eifler. A one-day executive session may be held but there is no chance for a school. A directors' meeting will probably be held in February to decide on the convention.

### Many 50-Year Birmingham Firms

Several local agencies were among the firms honored by the Birmingham chamber of commerce for 50 years con-

tinuous operation. They included A. A. Adams & Co., A. R. Dearborn & Co., James A. Going & Co., Heineke-Schuster Realty Co., W. B. Leedy & Co., Jonas Schwab Realty Co., John G. Smith & Co. and R. F. Manly & Co.

The chamber was celebrating its own 50th anniversary and found that the insurance business furnished more concerns of this age than any other.

### Loss of \$150,000 in Richmond

Loss estimated at \$150,000 resulted from fire which destroyed Health Centre, Inc., in Richmond. A bowling alley was operated in the building. Mutuals were reported to have been on the loss except for coverage on the electric sign, which was said to have been in a stock company.

### Winston-Salem Election

WINSTON-SALEM, N. C.—W. W. Conrad has been elected president of the Winston-Salem Insurance Exchange, succeeding J. E. Miller. John Davis is vice-president and R. M. Watson, secretary-treasurer.

### Ala. Insurance Committee Heads

Tram Sessions of Birmingham, agent of Massachusetts Mutual Life, has been appointed chairman of the Alabama senate committee on insurance. Elvin McCary, local agent at Anniston, is chairman of the house committee.

### Gordon Elected in Corpus Christi

CORPUS CHRISTI, TEX.—The Corpus Christi Insurance Exchange has elected Jamin Gordon, president; Nelson Wray, vice-president; T. LeRoy Lain, secretary (re-elected); and Dewitt McGee and James Nichols, directors.

### Seeks Increased Funds in N. C.

RALEIGH, N. C.—Commissioner Hodges has asked for an increase of \$2,950 in the insurance department's appropriation which would total \$135,460 for the next biennium.

### Big Fire Loss Increase in Austin

AUSTIN, TEX.—Fire loss here in 1942 totaled \$218,862, \$189,013 of which was insured, compared to \$85,453 in 1941 of which \$84,785 was insured, the fire department reports.

### NEWS BRIEFS

W. W. Roark, owner of the Temple Insurance Agency of Temple, Tex., who recently was reelected to the legislature, sponsors a war bond quota campaign billboard there, urging 10 percent in war bonds.

Lt. Kathleen McClure of the WAACs spoke at the January meeting of the Chattanooga Association of Insurance Women. An inland marine insurance course will be started Feb. 18.

Emmett B. Porter, manager of the Austin, Tex., office of Fire Companies Adjustment Bureau since 1931, who was previously associated with the Southwestern Adjustment Company in Austin has opened his own adjustment office in Austin.

## COAST

### Cal. Fire Prevention Course

LOS ANGELES—The Southern California Fire Underwriters Association opened its course of lectures on fire prevention with two evening sessions last week, 110 members are enrolled. Marshall Rouse of San Francisco is the lecturer for the entire course.

### Cleary Manager at San Jose

The Fire Companies Adjustment Bureau has appointed Frank W. Cleary as adjuster-in-charge of the San Jose, Cal.,

office, succeeding W. B. Benson, who has resigned.

Mr. Cleary has been with the bureau since January, 1937. He was formerly connected with the Oakland office and has been in the San Jose office for the past three years.

### Storm Ties Up Seattle Offices

SEATTLE—Seattle insurance offices were closed and business was virtually at a standstill when one of the worst snowstorms in the history of western Washington descended on the Puget Sound country Jan. 19. The tieup continued until the end of the week.

Transportation was tied up and office workers were obliged to walk home, where they remained several days while city officials were busy unsnarling transit lines. A few of the larger offices were able to maintain skeleton staffs.

### Open Cal. Institute Course

LOS ANGELES—The California Institute of Insurance lecture course for 1943 started last week with 67 agents, brokers and employees registered. The Insurance Exchange of Los Angeles is sponsoring the course, and Walter W. Bennett, educational director of the exchange was the opening lecturer, with



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the subject, "Development, Uses and Principles of Insurance."

#### NEWS BRIEFS

**Hubert D. Scudder**, veteran local agent of Sebastapol, Cal., director of the California Association of Insurance Agents and until this year a member of the California legislature for 18 years, has been appointed California real estate commissioner by Governor Warren.

**Charles T. Crockett**, special agent for E. I. Crockett & Company, general agency at Pueblo, Colo., was guest speaker at the meeting of the Insurance Women of Pueblo on "Inland Marine Insurance—Its History and Possibilities."

**Carle L. Williams** of Los Angeles, whose licenses recently were revoked by Commissioner Caminetti, has sold his agency to Kelly Williams, who had been associated with the agency as a solicitor.

**Crown Life of Toronto** has appointed **Edward Brown & Sons** of San Francisco as general agents.

The City Insurance Agency, Portland, Ore., has been merged with **Gerlinger, Richards & Freeman**. Tom J. Mahoney, Jr., president, becomes vice-president of the merged companies.

Captain Frank T. Cole of the Los Angeles sheriff's office spoke at a meeting of American Legion Insurance Post in Los Angeles.

is divisible by 50 percent to the policyholders (other than trip transit or grain insurance) in proportion to the net premium contributions as above defined and 50 percent to be retained by the government.

Under this plan it is claimed that the original cost of 25 cents per \$100 will be reduced to a net of 8 3/4 cents.

### Urge New Canadian War and Other Insurance Clauses

TORONTO—The Association of Superintendents of Insurance of Canada has recommended new war exclusion clauses for the Canadian statutory fire policies and new clauses treating other insurance, the latter intended to clear up conflicts between specific and all risk policies. If they are adopted, they will affect all policies in force as well as new contracts, as the recommendation is for a change in provincial laws automatically amending the coverage.

The recommended war exclusion clause is intended to make the policy cover such borderline losses as are not covered by government war damage insurance.

The recommended wording of the new war exclusion clause is: "loss or damage caused by insurrection, riot, civil commotion or usurped power, or for war damage as defined by paragraph (m) of section 2 of the war risk insurance act, 1942, Canada, and as interpreted by a certain order of the governor-general in council numbered P. C. 11038."

The present war clause excludes not only bombardment and hostilities, but also any operations of Canadian and allied armed forces, for training or otherwise, and any damage from military explosives, even though not in the custody of the armed forces. The insuring clause of the Canadian war damage policy is more detailed than the American form. The recommendation points out that this change would not expose fire companies to any catastrophe liability and would provide assured with complete coverage.

The recommended other insurance legislation provides that no policy shall exclude coverage on property covered by another insurer without the consent of the other carrier, but that insurance on identified articles shall pay before other insurance. Division of insurance into specific items, limitations on items and coinsurance are expressly authorized.

#### Smith Fire Branch Secretary

WINNIPEG—R. L. Smith, for several years rating superintendent, has been appointed secretary of the fire branch of the Western Canada Insurance Underwriters Association.

#### Graves Heads Niagara Group

Oswin Graves, St. Catharines, has been elected president of the Niagara (Ont.) District Fire & Casualty Insurance Agents Association. Other officers are: Vice-president, Carl L. Young, Niagara Falls; secretary-treasurer, Fred E. Coyne, Welland.

#### Brown and Kemp Promoted

C. A. Brown and Graham A. Kemp have been appointed assistant managers by C. S. Malcolm, Canadian manager Royal Exchange. Mr. Brown has been with the group 18 years and Mr. Kemp 14 years.

#### Canadian Marine Proposals

TORONTO—The Association of Superintendents of Insurance of Canada, according to a statement just issued by H. D. McNairn, secretary, has recommended for enactment by all other provinces the modified marine insurance act as enacted by British Columbia.

In the opinion of the association the definition of "policy" and of "marine in-

surance" as they appear in the marine insurance act of Nova Scotia are unnecessary for the purposes of the act and may tend to restrict the application of the act. The association recommends to Nova Scotia a reconsideration of the necessity for the inclusion of such definitions in its marine insurance act.

#### West Elected by Adjusters

TORONTO—F. Wilson West, Angell & West, Toronto, has been elected president of the Ontario Insurance Adjusters Association. Walter A. Jennings, Toronto General, will serve as vice-president.

#### Turnbull on Institute Council

George Turnbull, assistant manager of Union of Canton in Montreal, has been elected to the council of the Insurance Institute there. He succeeds M. T. Trotter, who was forced to resign due to the pressure of other duties.

L. L. Whitaker, assistant general manager and treasurer Dominion Life of Canada, has been elected a director of the Waterloo Mutual Fire. He has been its investment counsel for five years.

Butler Byers Brothers, Saskatoon, have been appointed general agents for fire business of the Anglo-Scottish for Saskatchewan.

## MARINE

### White Head of Firemen's Marine Department in West

Edward J. White, who has been with Firemen's of Newark the past 13 years in Chicago has been appointed marine manager of the company in the western department. He succeeds Scott Fraser, manager for five years, who has made a new connection which he will announce next week.

Mr. White before joining Firemen's was with Royal six years in Chicago as an assistant examiner. He then went with Firemen's as counterman in the Cook county department, later becoming office manager. He has been assistant manager of the marine department under Mr. Fraser the past year.

### Hamill Named to Ocean Post

Thomas F. Hamill has been named assistant manager of the ocean marine department in New York of Automobile. Mr. Hamill was graduated from Fordham in 1930 and joined Automobile in the ocean marine department in New York in 1931. He continued his studies evenings at Fordham law school and was admitted to the bar in New York in 1933. Recently, he has been assisting R. B. Jennings, manager of the ocean marine department, in the underwriting of cargo and hull risks.

### Insurer Wins Decision on Personal Service Exclusion

The exclusion of liability in a public liability policy for damages suffered by any person because of the rendering by the insured of any personal service or treatment or the omission of treatment absolved the insurer of responsibility in a claim against a nursing home for self destruction of a mentally deranged patient. The nursing home was charged with negligence in the care of the patient. The nursing home paid out \$750 in defending the suit and sought to recover that amount from the insurer. The appellate division of the New York supreme court held that self destruction is not an accident within the meaning of the term as used in the policy and that in any event, in the action against the nursing home, the negligence assigned was within the scope of the excluded liability for damages for personal services, etc. The case was Liberty Nursing Home, Inc., vs. New Amsterdam Casualty.



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All Classes of Ocean and Inland Marine Insurance

## Demand Arises for Legal Liability Cover

(CONTINUED FROM PAGE 1)

The amount of insurance will be the basis of the loss adjustment after application of the coinsurance clause. This amount should represent the highest value of the property furnished by the government, plus labor performed and other materials as defined in clause No. 1 of the form at risk at any one time under the policy. The risk must be submitted to the I. M. U. A. committee for rating.

It is pointed out that the bailee clause in government contracts requires the contractor to use due diligence and dispatch to carry out the provisions of the contract. Hence the contractor could be held for negligence. When the policy is written through a fire insurance department then the legal liability form is patterned after the sprinkler leakage form and covers liability imposed by law on the assured for loss or damage to property of others. There is a disclaimer clause prohibiting the assured from admitting or assuming liability.

Even though the government has not permitted the carrying of regular insurance it has permitted in some cases at least a cost plus contractor to charge back to the government the cost of legal liability insurance. But apparently even where the government has not permitted such premium to be charged back to it some contractors have decided to get the insurance anyway to protect themselves and have absorbed the cost.

### Builders Risk Lines

The question of legal liability insurance is also coming up in connection with builders risk lines relating to contracts negotiated on a cost-plus-a-fixed-fee basis where the government has specified that fire insurance is not to be carried and that the premium cannot be charged back to the government. There have been some defense housing projects upon which the government has not permitted fire insurance to be carried.

Some of the contractors that have been engaged on these jobs have desired insurance to protect them in case they should be held liable for loss due to fire or other insurable hazards that might be attributed to carelessness on their part. It is understood that legal liability insurance has been written in this connection at a rate of one-half the builder's risk rate. A number of underwriters, however, have declined to write such business. They feel that in virtually all builder's risk losses there is an element of negligence involved. Many of these fires originate from salamanders and it can always be charged that sufficient precautions were not taken to guard against this hazard. Hence the insurers feel that legal liability insurance on the builder's risk would actually amount to primary liability except for lightning losses.

### Wording of Contract

In some cases at least where the contractor has been directed to cancel existing insurance on government owned material in the possession of the contractor the terms of the contract are altered and the following clause is employed: "Except as to property the liability for which is fixed by any other instrument or agreement or by some other provision of this contract, the contractor shall not be liable for loss or destruction of or damage to property of the government in the possession or control of the contractor in connection with this contract, unless such loss, damage or destruction results from wilful misconduct or failure to exercise good faith on the part of the contractor's corporate officers or other representatives having supervision or direction of the operation of the whole of the contractor's business or of the whole of any plant operated by the contractor or in the performance of this contract."

Some underwriters believe that while

it is probable that under this wording the contractor could disclaim liability for losses caused by lightning, windstorm, hail, falling aircraft or other perils over which he would have no control, except as to aggravation of such damage caused by failure to keep the building in good repair, install lightning rods, etc., the fact is that the contractor might have considerable difficulty in proving to any government official that a fire was not caused by "wilful misconduct or failure." It would be unwise, such underwriters believe, for a contractor to depend upon the liberality of any government official to escape liability for government owned property.

### Housing Project Example

In connection with a recent large housing project, the government agency held that premiums for fire and extended coverage on the builders risk would not be reimbursed by the government and the insurance that had been effected was canceled by the contractor. There was a holding that the government is obligated for expenditures for the repairing, rebuilding, restoring any destroyed or damaged work, materials, etc., due to loss or damage other than loss occasioned by the fault or negligence of the contractor by fire, theft, flood, wind, explosion, riot, aircraft, smoke, etc., regardless of whether title shall have passed to the government or whether the items were incorporated into the work or were on site.

Under circumstances such as these, some underwriters hold that insurance that the contractor might buy on his own account is not true legal liability insurance, since by that is commonly meant liability imposed by statute or common law. Here what is wanted is coverage for liability assumed by contract.

## Stamp Tax Law Issues Cleared Up

(CONTINUED FROM PAGE 1)

mium is not subject to tax if it is the result of the application of a formula for determining the total premium set forth in the original policy.

### Tax on Certificates

Where an agent or broker places insurance with non-admitted insurers by cable and then issues a certificate of insurance to the insured certifying that the coverage has been effected the required stamp may properly be affixed to the duplicate certificate which the agent or broker retains in his own files. However, the original certificate should carry an appropriate notation to show that stamps have been affixed to the duplicate.

There has been some uncertainty as to exactly what is meant by the term "United States" as used in Section 1804 of the internal revenue code as amended by section 502 of the 1942 revenue act. Section 3797 (a) (9) of the internal revenue code defines the term "United States" when used in a geographical sense as including only the states, the territories of Alaska and Hawaii and the District of Columbia. Areas not included within the states, territories and District of Columbia (such as Puerto Rico, the Canal Zone, the Virgin Islands, Guam, American Samoa and the Philippine Islands) are not within the United States for the purpose of the tax.

Before the changes made in the stamp tax by the revenue act of 1942 it was limited in its application to property within the United States. It did not apply to insurance on property exported from the United States if the coverage did not become effective before the property was in actual course of exportation nor to insurance on property

shipped from a foreign country to a United States port where the coverage terminated on unloading and the coverage within the United States constituted only a trifling portion of the total coverage.

### Tax on Movable Property

Movable property such as ships was held to be "property within the United States" and insurance on it subject to tax if the owner was located in the United States, unless the property was permanently located outside of the United States for permanent use. However, the 1942 amendment makes the location of the hazard rather than the site of the property the criterion of taxability, so that the tax applies only to hazards wholly or partly within the United States in the case of a policy issued to a domestic corporation and partnership or an individual resident of the United States, or to hazards within the United States in the case of a policy issued to a foreign corporation, foreign partnership, or non-resident individual engaged in a trade or business within the United States.

### Attitude of the Treasury

In view of this change in the wording of the law it is not certain that the Treasury department will follow the regulations previously in effect with regard to exports, imports, and movable property. Duncan & Mount feel that the Treasury is probably bound to continue the previous regulations with regard to exports for reasons based on constitutional law and that it is also probable that the previous regulations regarding imports will be continued but that apparently the regulations covering movable property, including ships, will require modification.

Because of section 3361 (b) of the internal revenue code which exempts merchandise going into Puerto Rico from the United States from any tax imposed by the internal revenue laws, the department has ruled that premiums on insurance covering merchandise exported from this country to Puerto Rico are not subject to the stamp tax. The same ruling should be applicable to Guam and American Samoa, since these are included in section 3361 (b), and by the same reasoning to shipments to the Philippines or the Virgin Islands, which are mentioned in section 3341 (b) and section 3351 (b) respectively.

### Subject to Continuance Tax

Where premiums due on or after Nov. 1, 1942, on reinsurance written before that date for an indefinite period with an annual premium and with either party given the right to cancel at the end of any year the premium paid each year on and after Nov. 1, 1942, is subject to tax as a continuance. Where a reinsurance contract subject to tax provides for the deduction of so-called commissions by the ceding company and the gross premium is provisional only, the tax should be computed on the basis of the net premium charged after deducting these commissions, provided the deductions are actually adjustments in the premium as distinguished from rebates and the like.

Where a reinsurance treaty otherwise subject to tax as a reinsurance of hazards within the United States also reinsures policies covering property outside the United States the tax is to be computed on the full amount of the premium charged unless the particular reinsurance contract clearly indicates the exact portion of the premium charged for the non-taxable risks which are not subject to tax by reason of the hazard being located outside the United States.

### Other Requirements Made

Where premiums on a reinsurance contract are subject to tax and the original instrument provides for a provisional premium the stamps should be affixed on the basis of the amounts set forth and appropriate claim should be filed to

cover any excess over the net premium as finally determined. Where weekly or monthly bordereaux show a provisional premium the stamps may be affixed to the receipts and appropriate claim should be filed to cover any excess over the net premium when finally determined. Where stamps are attached to receipts appropriate notations should be made thereon to identify the original instrument to which they apply.

Duncan & Mount point out that some of these rulings seem inconsistent with previous rulings of the Treasury and that it is doubtful if they would all be sustained should they be tested by appropriate procedure.

## Bowling Alley Risks Are Scrutinized Closely

(CONTINUED FROM PAGE 4)

three factors, in that order, have been, they say, responsible for the majority of bowling alley fires. There is usually a bad fire situation if pin boys are permitted to sleep on the premises. Rags and trash accumulate in out of the way spots for long periods. One bowling alley loss of almost \$100,000 occurred a year or two ago in the midwest as the result of pin boys showing trash into an abandoned elevator shaft where it accumulated on the wooden roof of the old elevator cage and eventually caught fire. The fire was not extensive, but fire and water damaged the alleys, each of which cost between \$1,500 and \$2,000 to replace. In another bowling alley it was found that the pin boys had cut a small hole in the ceiling and hoisted themselves through it onto the rafters to smoke.

### Rules for Work Room

The work room should preferably be outside of the building. Many of the work rooms contain wood turning lathes so that rough spots on the pins can be buffed off. Without proper ventilation there is liable to build up a dangerous concentration of shellac dust. The room should be extremely well ventilated, should be at least separated from the rest of the bowling alley, and the lights should be vapor proof.

### Another Bowling Alley Loss

RICHMOND, VA.—Fire of undetermined origin gutted the one-story brick building housing the Health Centre Bowling Alleys. The loss is estimated at \$150,000, partly covered by insurance.

### Bridge Case Under Advisement

OLYMPIA, WASH.—The Washington supreme court has taken under advisement the appeal of Fidelity & Guaranty Fire from the decision of Superior Judge Meakim of King county in the Tacoma bridge case in favor of Millers National.

The King county court held that the Washington Toll Bridge Authority had accepted cancellation of a \$50,000 Millers National policy the day before the Tacoma Narrows Bridge collapsed Nov. 7, 1940. The F. & G. appealed on the ground that the broker on the line did not have authority to accept cancellation in waiving the 60-day notice clause in the I.M.U.A. form. The F. & G. binder was mailed to the broker the day before the bridge collapsed.

It was expected the supreme court decision will be handed down within 30 days.

### Could Write All Lines

A bill has been introduced in the California legislature providing that any insurance company may transact any and all classes of insurance, other than life or title, if its paid in capital is equal to the sum of the amounts required by the provisions of the insurance code for engaging in such classes of insurance. Assemblyman Thos. A. Maloney, San Francisco, broker, is the sponsor.



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this month to tell  
readers about the  
need for—

**RESIDENCE LIABILITY  
INSURANCE**



## Who are all these people?

They are the people who visit  
your home every day and are  
seldom seen—the milkman,  
postman, newsboy, delivery  
man and garbage collector.  
There are others too, including  
your guests who are frequently  
on your premises.

If accident should befall them  
through negligence on your  
part, you can't be sure how  
much it might cost you.

Your local Fidelity and Casualty  
Agent sells protection for this  
specific purpose. It is called  
Residence Liability Insurance.

You can save much worry and  
possibly the ruinous cost of pay-  
ing heavy damage claims by  
asking him now, to provide you  
with this needed protection.

### Insure through an F. & C. Agent

He is trained and experi-  
enced in the preparation  
of policies to meet your  
individual requirements;  
he is always available to  
advise and serve you in  
the event of loss; he  
represents a company of  
this strong, capital stock  
group which has paid out  
more than \$1,150,000,000  
in claims since 1853.

## The Fidelity and Casualty Company of New York

A Member Company of

**THE AMERICA FORE INSURANCE AND INDEMNITY GROUP**

**BERNARD M. CULVER**  
President

**FRANK A. CHRISTENSEN**  
Vice President

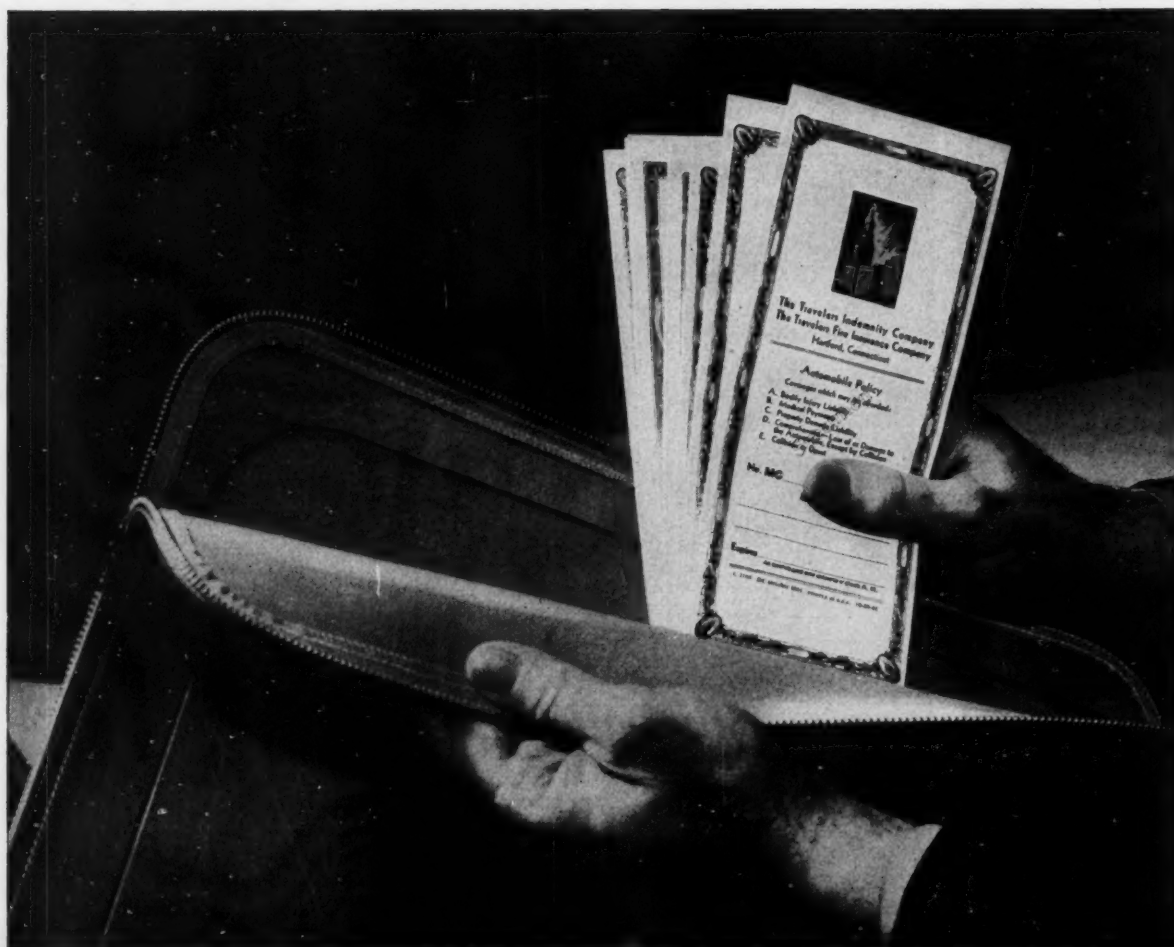
which includes the following companies

**THE CONTINENTAL INSURANCE CO.  
NIAGARA FIRE INSURANCE CO.  
FIRST AMERICAN FIRE INSURANCE CO.**

**FIDELITY-PHENIX FIRE INSURANCE CO.  
AMERICAN EAGLE FIRE INSURANCE CO.  
MARYLAND INSURANCE CO.**

F. & C. Agents  
can benefit by  
using the tie-in  
advertising ma-  
terial.

Write to the  
Advertising Dept.  
80 Maiden Lane, N. Y. C.



*It will pay you  
to deliver renewals  
in person this year*

The kinds and amounts of insurance your client has should  
be checked frequently in this rapidly changing picture.



The Travelers Insurance Company • The Travelers Indemnity Company • The Travelers Fire Insurance Company

**THE TRAVELERS**  
HARTFORD • CONNECTICUT



